

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1353**

Introduced by

Representatives Kreidt, Bellew, Hofstad, Rohr, Seibel, Silbernagel, Weisz

Senator Unruh

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 determining nursing home rates.

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 particular  
10 nursing home; fines and penalties; legal and related expenses for unsuccessful  
11 challenges to decisions by governmental agencies; memberships in sports, health, or  
12 similar social clubs or organizations; and costs incurred for activities directly related to  
13 influencing employees with respect to unionization. The department by rule shall  
14 exclude the costs of other items or services not directly related to the provision of  
15 resident care.
- 16 2. Nonallowable costs include the education expense unless:
- 17 a. The education was provided by an accredited academic or technical educational  
18 facility;
- 19 b. The education expense was for materials, books, or tuition; and
- 20 c. ~~The facility claims the education expense, annually, in an amount not to exceed~~  
21 ~~three thousand seven hundred fifty dollars for each individual; and~~
- 22 d. The amount of education expense claimed for an individual does not exceed  
23 fifteen thousand dollars in the aggregate.
- 24 3. The education expense may be claimed the year in which it is expended.

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