

HOUSE BILL NO. 1065

Introduced by

Human Services Committee

(At the request of the Department of Human Services)

1 A BILL for an Act to amend and reenact subsection 3 of section 50-24.4-10 of the North Dakota
2 Century Code, relating to nursing home's operating costs.

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

4 **SECTION 1. AMENDMENT.** Subsection 3 of section 50-24.4-10 of the North Dakota
5 Century Code is amended and reenacted as follows:

6 3. The department shall establish limits on actual allowable historical operating cost per
7 diems based on cost reports of allowable operating costs taking into consideration
8 relevant factors including resident needs, nursing hours necessary to meet resident
9 needs, size of the nursing home, and the costs that must be incurred for the care of
10 residents in an efficiently and economically operated nursing home. For the rate year
11 beginning 2006, the department shall establish limits for cost categories using the
12 June 30, 2003, cost report year as the base period. The limits may not fall below the
13 median of the most recent cost report. Until a new base period is established, the
14 department shall adjust the limits annually by the inflation rate for nursing home
15 services used to develop the legislative appropriation for the department. In
16 determining allowable historical operating cost per diems for purposes of setting limits
17 and nursing home payment rates, the department shall divide the allowable historical
18 operating costs by the actual number of resident days, except that when a nursing
19 home is occupied at less than ninety percent the published rate of licensed capacity
20 days, ~~the~~ Annually, the department may establish procedures to adjust the
21 ~~computation of the indirect care cost per diem to an imputed~~ shall set the minimum
22 ~~occupancy level at or below ninety percent~~ rate and publish the rate for the next year
23 on or before January first of each year. To encourage the development of home and
24 community-based services as an alternative to nursing home care, the department

1 may waive the imputed occupancy level requirements for a nursing home that the
2 department determines to be providing significant home and community-based
3 services in coordination with home and community-based service providers to avoid
4 duplicating existing services. The department shall establish efficiency incentives for
5 indirect care costs. The department may establish efficiency incentives for different
6 operating cost categories. The department shall consider establishing efficiency
7 incentives in care-related cost categories.