

CHAPTER 75-04-05
PAYMENT FOR PROVIDER AGENCIES OF SERVICES TO
INDIVIDUALS WITH INTELLECTUAL DISABILITIES -
DEVELOPMENTAL DISABILITIES

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SECTION 1: Section 75-04-05-01 is amended as follows:

75-04-05-01. Definitions.

In this chapter, unless the context or subject matter requires otherwise:

1. "Accrual basis" means the recording of revenue in the period when it is earned, regardless of when it is collected, and the recording of costs in the period when incurred, regardless of when they are paid.
2. "Administrative costs" means those costs that are necessary to operate the business but are not client related.

3. "Allowable cost" means the program's actual and reasonable cost after appropriate adjustments for nonallowable costs, income, offsets, and limitations.
4. "Assessment score" means the client's score from the standard assessment tool administered by the department or its designee.
5. "Bad debts" means those amounts considered to be uncollectible from accounts and notes receivable which were created or acquired in providing covered services that are eligible for payment through Medicaid federal financial participation.
6. "Basic services" means all of the services that provider agencies deliver to clients, including nondevelopmental disabilities services.
7. "Board" means all food and dietary supply costs.
8. "Capital asset" means a facility's buildings, land improvements, fixed equipment, movable equipment, leasehold improvements, and all additions to or replacements of those assets used for client care.
9. "Client" means an individual found eligible as determined through the application of chapter 75-04-06 for services coordinated through developmental disabilities program management on whose behalf services are provided or purchased.
10. "Client-authorized representative" means a person who has legal authority, either designated or granted, to make decisions on behalf of the client.
11. "Client representative" means a client-authorized representative or relative who has maintained significant contacts with the client.
12. "Community contribution" means a contribution to a civic organization or sponsorship of community activities. Community contribution does not include a donation to a charity.
13. "Cost center" means a division, department, or subdivision thereof, group of services or employees or both, or any unit or type of activity into which functions of a provider agency are divided for purposes of cost assignment and allocations.
14. "Day habilitation" means a day program of scheduled activities, formalized training, and staff supports to promote skill development for the acquisition, retention, or improvement in self- help, socialization, and adaptive skills. Activities must focus on improving a client's sensory motor, cognitive,

communication, and social interaction skills.

15. "Department" means the North Dakota department of human services.
16. "Depreciation" means an allocation of the cost of an asset over its estimated useful life.
17. "Depreciable asset" means a capital asset or other asset for which the cost must be capitalized for statement of costs purposes.
18. "Depreciation guidelines" means the American hospital association's guidelines as published by American hospital publishing, inc., in the most recently published "Estimated Useful Lives of Depreciable Hospital Assets".
19. "Direct care staff" means employees who are actively providing support to clients receiving a service from a provider agency.
20. "Direct care wage" means the wage level that is used as the basis of the payment system.
21. "Direct program support costs" means costs that are specific to the service provision of a client, including medical and program supplies.
22. "Documentation" means the furnishing of written or electronic records, including original invoices, contracts, timecards, and workpapers prepared to complete reports or for filing with the department.
23. "Employment-related expenses" means employee benefits, including federal Insurance Contributions Act, unemployment insurance, medical insurance, workers' compensation, retirement, disability, long-term care insurance, dental, vision, life, accrued paid time off, and unrecovered medical costs furnished at the provider agency's cost.
24. "Employment support" means ongoing supports to assist clients in obtaining and maintaining paid employment in an integrated setting. Services are designed for clients who need intensive ongoing support to perform in a work setting. Service includes on-the-job or off-the-job employment-related support for clients needing intervention to assist them in maintaining employment, including job development. Employment support includes individual employment support and small group employment support.
25. "Facility-based" means a facility for individuals with developmental disabilities licensed by the department to provide day services. This definition is not to be construed to include areas of the building determined

by the department to exist primarily for nontraining.

26. "Fair market value" means value at which an asset could be sold in the open market in an arm's-length transaction between unrelated parties.
27. "Fixed equipment" means equipment used for client care affixed to a building, not easily movable, and identified as such in the depreciation guidelines.
28. "Generally accepted accounting principles" means the accounting principles approved by the American institute of certified public accountants.
29. "Group home" means any community residential service facility, licensed by the department pursuant to North Dakota Century Code chapter 25-16, housing more than three individuals with developmental disabilities. "Group home" does not include a community complex with self-contained rental units.
30. "Historical cost" means those costs incurred and recorded on the facility's accounting records as a result of an arm's-length transaction between unrelated parties.
31. "Hospital leave day" means any day that a client is not in the facility, but is in an acute care setting as an inpatient and is expected to return to the facility. A hospital leave day is only available to clients residing in an intermediate care facility for individuals with intellectual disabilities.
32. "In-house day" means a day that a client was actually receiving services in the intermediate care facility for individuals with intellectual disabilities setting and was not on therapeutic leave, in the hospital, or absent.
33. "Indirect program support costs" means costs that are neither direct care nor administrative, such as program development, supervision and quality assurance, and are not separately billable.
34. "In-home supports" means supports for a client residing with their primary caregiver and their family to prevent or delay unwanted out-of-home placement. Services may assist the client in activities of daily living, and help with maintaining health and safety.
35. "Interest" means the cost incurred with the use of borrowed funds.
36. "Intermediate care facility for individuals with intellectual disabilities" means a residential health facility operated pursuant to title 42, Code of Federal Regulations, parts 442 and 483, et seq.

37. "Land improvements" means any improvement to the land surrounding the facility used for client care and identified as such in the depreciation guidelines.
38. "Life-changing event" means a change in a client's life that will affect his or her support needs for six months or more, including a significant medical event, a crisis situation, a change in living arrangement, aging caregiver, significant medical or behavioral health event in the life of a caregiver, significant change in family functioning, or trauma.
39. "Medical assistance program" means the program that pays the cost of medical care and other services to eligible clients pursuant to North Dakota Century Code chapter 50-24.1.
40. "Movable equipment" means movable care and support services equipment generally used in a facility, including equipment identified as major movable equipment in the depreciation guidelines.
41. "Net investment in fixed assets" means the cost, less accumulated depreciation and the balance of notes and mortgages payable.
42. "Other asset" means any asset that has a life of more than one year and has a cost of five thousand dollars or greater.
43. "Parenting supports" means assisting clients who are or will be parents in parenting skills training that is individualized to assist with focusing on the health, welfare, and developmental needs of their child.
44. "Person-centered service plan" means an individual plan that identifies service needs of the eligible client, the services to be provided, and is developed by the client or client-authorized representative, or both, client select team, and developmental disabilities program manager considering all relevant input.
45. "Personal assistance retainer" means a payment used in residential habilitation to allow continued reimbursement during a client's temporary absence from the setting. The personal assistance retainer allows for payment while a client is hospitalized or otherwise away from the setting to ensure stability and continuity of staffing.
46. "Prevocational services" means formalized training, experiences, and staff supports designed to prepare clients for paid employment in integrated community settings. Services are structured to develop general abilities and skills that support employability in a work setting. Services are not directed at teaching job-specific skills, but at specific habilitative goals outlined in the client's person-centered service plan.

47. "Program support" means the direct and indirect program support costs that support providing services to a client.
48. "Program support staff" means employees whose duties are associated with client care but who are not actively providing direct support services to clients receiving a service from a provider agency.
49. "Property costs" means the cost category for allowable costs to operate the owned or leased property.
50. "Provider agency" means the organization or individual who has executed a Medicaid agreement with the department to provide services to individuals with developmental disabilities.
51. "Reasonable cost" means the cost that must be incurred by an efficiently and economically operated facility to provide services in conformity with applicable state and federal laws, regulations, and quality and safety standards.
52. "Related organization" means an organization which a provider agency is, to a significant extent, associated with, affiliated with, able to control, or controlled by, and which furnishes services, facilities, or supplies to the provider agency. Control exists when an individual or an organization has the power, directly or indirectly, significantly to influence or direct the action or policies of an organization or institution.
53. "Relief staff" means the replacement of direct care staff when the regular direct care staff are on leave and there is a cost component in the direct care hourly rate that covers the cost of relief staff.
54. "Residential services" means formalized training and supports provided to clients to assist with and develop self-help, socialization, and adaptive skills that improve the client's ability to independently reside and participate in an integrated community. Residential services include residential habilitation and independent habilitation.
55. "Room" means the cost associated with the provision of shelter, housekeeping staff or purchased housekeeping services and the maintenance thereof, including depreciation and interest or lease payments of a vehicle used for transportation of clients.
56. "Service" means the provision of living arrangements and programs of daily activities subject to licensure by the department.
57. "Staff training" means an organized program to improve staff performance.

58. "Statement of costs" means the department-approved form for reporting costs, statistical data, and other relevant information of the provider agency.
59. "Statement of costs year" means the fiscal year from July first through June thirtieth.
60. "Therapeutic leave day" means any day that a client is not in the intermediate care facility for individuals with intellectual disabilities, nursing facility, swing-bed facility, transitional care unit, subacute unit, another intermediate care facility for individuals with intellectual disabilities, a basic care facility, or an acute care setting, or if not in an institutional setting, is not receiving home- and community-based waiver services and is expected to return to the facility. A therapeutic leave day is only available to clients residing in an intermediate care facility for the intellectually disabled.
61. "Top management personnel" means owners; board members; corporate officers; general, regional, and district managers; administrators; and any other person performing functions ordinarily performed by such personnel.
62. "Units of service" for billing purposes means:
- a. (1) In residential habilitation and intermediate care facility for individuals with intellectual disabilities, one client served for one 24-hour day; or
 - (2) In day habilitation, prevocational services, employment supports, parenting supports, in-home supports, and independent habilitation settings, one client served for fifteen minutes; ~~or~~
 - ~~(3) In parenting supports and in-home support settings, one client served for one hour.~~
 - b. The day of admission and the day of death, but not the day of discharge, are treated as a day served for residential habilitation and intermediate care facility for individuals with intellectual disabilities.
63. "Vacancy factor" means a cost component of the residential habilitation and intermediate care facility for individuals with intellectual disabilities rate intended to cover costs when a client is no longer in the setting, with no intent to return.

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