

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1170**

Introduced by

Representatives Kreidt, Heller, Rohr, Wieland

Senator Unruh

1 A BILL for an Act to create and enact a new section to chapter 50-06 of the North Dakota  
2 Century Code, relating to nursing and basic care facility ratesetting; and to amend and reenact  
3 section 50-24.4-06 of the North Dakota Century Code, relating to allowable costs in nursing  
4 home ratesetting.

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

6 **SECTION 1.** A new section to chapter 50-06 of the North Dakota Century Code is created  
7 and enacted as follows:

8 **Expedited ratesetting process - Nursing and basic care facilities.**

9 The department shall establish an expedited ratesetting process by which nursing and basic  
10 care facilities may request an increase in the established rate due to additional costs incurred  
11 by the facility for providing health insurance policies to the facility's employees, to the extent  
12 those costs are directly related to the facility's compliance with the federal Patient Protection  
13 and Affordable Care Act of 2010 [Pub. L. 111-148], as amended by the Health Care and  
14 Education Reconciliation Act of 2010 [Pub. L. 111-152]. The process must provide that to be  
15 approved for a rate adjustment that is reflected in the facility's January 1, 2014, rates, the facility  
16 must submit the adjustment request to the department by October 1, 2013.

17 **SECTION 2. AMENDMENT.** Section 50-24.4-06 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **50-24.4-06. Rate determination.**

20 1. The department shall determine prospective payment rates for resident care costs.  
21 The department shall develop procedures for determining operating cost payment  
22 rates that take into account the mix of resident needs and other factors as determined  
23 by the department.

- 1           2.    The department shall establish, by rule, limitations on compensation recognized in the
- 2                    historical base for top management personnel. Compensation for top management
- 3                    personnel must be categorized as a general and administrative cost and is subject to
- 4                    any limits imposed on that cost category.
- 5           3.    For purposes of determining rates, the department shall:
- 6                    a.    Include, contingent upon approval of the medicaid state plan by the centers for
- 7                            medicare and medicaid services, allowable bad debt expenses in an amount not
- 8                            to exceed one hundred eighty days of resident care per year or an aggregate of
- 9                            three hundred sixty days of resident care for any one individual; and
- 10                   b.    Include allowable bad debt expenses in the property cost category in the report
- 11                            year in which the bad debt is determined to be uncollectible with no likelihood of
- 12                            future recovery.
- 13                   c.    Notwithstanding section 50-24.4-07, include as an allowable cost any tax paid by
- 14                            a basic care or nursing facility due to provisions of the federal Patient Protection
- 15                            and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and
- 16                            Education Reconciliation Act of 2010 [Pub. L. 111-152].