

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2283**

Introduced by

Senators Lee, Dever, Hogan

Representatives Ista, Swiontek, Weisz

1 A BILL for an Act to amend and reenact section 50-24.5-02.3 of the North Dakota Century
2 Code, relating to basic care payment rates; to provide for a study; to provide an appropriation;
3 and to declare an emergency.

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

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

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

- 8 1. The department shall ~~establish, by rule, procedures for determining rates~~determine
9 limits for the care of residents of basic care facilities that qualify as vendors of an
10 aged, blind, and disabled persons program and for implementing provisions of this
11 chapter. ~~The procedures must be based on methods and standards that the~~
12 ~~department finds are adequate to recognize the~~data demonstrating the most recent
13 costs that must be incurred for the care of residents in efficiently and economically
14 operated basic care facilities. The department shall determine the limits every four
15 years by July first, beginning with July 1, 2023.
- 16 2. The department shall ~~identify costs that are recognized for establishing payment~~
17 ~~rates~~establish the limits by using the median rates from the most recent data available.
18 The direct care limit must be the median plus eighteen percent. The indirect care limit
19 must be the median plus twelve percent for indirect care.
- 20 3. For the rate year beginning July 1, ~~2016~~2023, the department shall ~~establish the limits~~
21 ~~by using the average of the highest and lowest rates from the 2014 rate year. The~~
22 ~~direct care limit must be ninety five percent of the average and the indirect care limit~~
23 ~~must be ninety percent of the average. Beginning with the July 1, 2017, rate year, the~~
24 ~~department shall adjust the limits by using the cost percentage change from the prior~~

1 ~~two rate years, within the limits of legislative appropriations.~~increase rates and limits
2 ~~two percent for inflation. For the rate year beginning July 1, 2024, the department shall~~
3 ~~increase rates and limits two percent for inflation.~~

4 4. The department shall ~~provide, by rule, within the limits of legislative appropriations, for~~
5 ~~payment of rates paid by the aged, blind, and disabled persons program for a~~
6 ~~maximum of thirty days per occurrence for leave days for a resident who is in a~~
7 ~~licensed health care facility when the resident is expected to return to the~~
8 ~~facility~~provide a rate increase in the amount of five dollars per day for the rate years
9 ~~beginning July 1, 2023, and ending June 30, 2025, after which the increase is not~~
10 ~~effective.~~

11 5. Within the limits of legislative appropriations, the department shall establish an
12 uncompensated care expense of ~~one hundred eighty~~three hundred sixty-five days.

13 **SECTION 2. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES -**

14 **BASIC CARE PAYMENT SYSTEM.** There is appropriated out of any moneys in the general
15 fund in the state treasury, not otherwise appropriated, the sum of \$19,118,386, or so much of
16 the sum as may be necessary, and the sum of \$7,984,183 from special funds, to the department
17 of health and human services for the basic care payment system, for the biennium beginning
18 July 1, 2023, and ending June 30, 2025.

19 **SECTION 3. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES -**
20 **STUDY OF BASIC CARE AND ASSISTED LIVING FACILITY LICENSURE AND**

21 **REGULATION.** There is appropriated out of any moneys in the general fund in the state
22 treasury, not otherwise appropriated, the sum of \$600,000, or so much of the sum as may be
23 necessary, to the department of health and human services for the purpose of studying the
24 basic care payment system and the licensure and regulation of basic care and assisted living
25 facilities, for the biennium beginning July 1, 2023, and ending June 30, 2025. The study shall
26 consider:

- 27 1. The property component of the rate;
- 28 2. Providing an uncompensated care expense of three hundred sixty-five days;
- 29 3. The feasibility of classifying basic care as supported housing;
- 30 4. The calculation of the operation margin;
- 31 5. The calculation of annual inflation;

- 1 6. Rates for specialized basic care services licensed under North Dakota Administrative
- 2 Code chapter 33-03-24.1;
- 3 7. Structuring payments to provide an incentive for providers to serve individuals with
- 4 behavioral health needs; and
- 5 8. The licensure and regulation of basic care and assisted living facilities.

6 **SECTION 4. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES -**

7 **BASIC CARE BAD DEBT.** There is appropriated out of any moneys in the general fund in the
8 state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may
9 be necessary, to the department of health and human services for the purpose of implementing
10 subsection 5 of section 50-24.5-02.3

11 **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.