

**SECOND ENGROSSMENT  
with Senate Amendments**

Fifty-seventh  
Legislative Assembly  
of North Dakota

**REENGROSSED HOUSE BILL NO. 1196**

Introduced by

Representatives Devlin, Boucher, Severson

Senators Andrist, Fischer, Solberg

1 A BILL for an Act to provide for the creation of a nursing facility nurses student loan grant  
2 program; to create and enact a new subsection to section 21-10-06 of the North Dakota  
3 Century Code, relating to funds under the management of the state investment board; to  
4 amend and reenact sections 6-09.16-01, 6-09.16-02, 6-09.16-03, 6-09.16-04, 6-09.16-05,  
5 6-09.16-06, 23-09.3-01.1, 23-16-01.1, 50-24.4-30, 50-30-01, 50-30-02, and 50-30-04 of the  
6 North Dakota Century Code, relating to the nursing facility alternative loan fund, the moratorium  
7 on the expansion of basic care bed capacity, the moratorium on the expansion of long-term  
8 care bed capacity, the government nursing facility funding pool, and nursing facility loans; to  
9 provide for a transfer from the nursing facility alternative grant fund; to provide a statement of  
10 legislative intent; to provide for a legislative council study; to provide an appropriation; to  
11 provide a continuing appropriation; to provide an expiration date; and to declare an emergency.

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

13 **SECTION 1. AMENDMENT.** Section 6-09.16-01 of the 1999 Supplement to the North  
14 Dakota Century Code is amended and reenacted as follows:

15 **6-09.16-01. ~~(Effective through June 30, 2001)~~ Definitions.** Terms defined in chapter  
16 50-30 have the same meaning when used in this chapter.

17 **SECTION 2. AMENDMENT.** Section 6-09.16-02 of the 1999 Supplement to the North  
18 Dakota Century Code is amended and reenacted as follows:

19 **6-09.16-02. ~~(Effective through June 30, 2001)~~ Revolving Long-term care facility**  
20 **loan fund - ~~Appropriation~~ Continuing appropriation.** A revolving loan fund must be  
21 maintained in the Bank of North Dakota for the purpose of making loans to nursing facilities,  
22 basic care facilities, or assisted living facilities,~~or other entities providing alternatives to nursing~~  
23 ~~facility care, to encourage and support conversion of nursing facilities~~ for renovation projects.

1 All moneys transferred into the fund, interest upon moneys in the fund, and collections of  
2 interest and principal on loans made from the fund are hereby appropriated for disbursement  
3 pursuant to the requirements of this chapter.

4 **SECTION 3. AMENDMENT.** Section 6-09.16-03 of the 1999 Supplement to the North  
5 Dakota Century Code is amended and reenacted as follows:

6 **6-09.16-03. (~~Effective through June 30, 2001~~) Nursing Long-term care facility**  
7 **alternative loan fund.**

8 1. There is hereby created a nursing long-term care facility ~~alternative~~ loan fund. The  
9 fund ~~shall include~~ consists of revenue transferred from the North Dakota health  
10 care trust fund, interest upon moneys in the fund, and collections of interest and  
11 principal on loans made from the fund.

12 2. The Bank of North Dakota shall administer the loan fund. Funds in the loan fund  
13 may be used for:

14 a. Loans as provided in this chapter and as approved by the department under  
15 chapter 50-30; and

16 b. The costs of administration of the fund; ~~and~~

17 e. ~~Repayment of federal funds if the United States department of health and~~  
18 ~~human services determines that funds were inappropriately claimed under~~  
19 ~~section 50-24.4-30.~~

20 3. Any money in the fund not required for use under subsection 2 must be transferred  
21 to the North Dakota health care trust fund.

22 **SECTION 4. AMENDMENT.** Section 6-09.16-04 of the 1999 Supplement to the North  
23 Dakota Century Code is amended and reenacted as follows:

24 **6-09.16-04. (~~Effective through June 30, 2001~~) Loan application - How made.** All  
25 applications for loans under this chapter must be made to the department. The department  
26 may approve the applications of qualified applicants ~~who~~ that propose projects that conform to  
27 requirements established under chapter 50-30. ~~Applications approved by the department must~~  
28 ~~be forwarded to the Bank of North Dakota. Upon~~ The Bank of North Dakota shall review and  
29 approve or reject all loan applications forwarded to the Bank by the department. For  
30 applications approved by the Bank and upon final approval of the application by the Bank of

1 ~~North Dakota~~ department, loans may be made from the ~~revolving~~ long-term care facility loan  
2 fund in accordance with ~~the provisions of~~ this chapter.

3 **SECTION 5. AMENDMENT.** Section 6-09.16-05 of the 1999 Supplement to the North  
4 Dakota Century Code is amended and reenacted as follows:

5 **6-09.16-05. (~~Effective through June 30, 2001~~) Amount of loans - Terms and**  
6 **conditions.** Loans in an amount not exceeding ~~eighty~~ ninety percent of project costs may be  
7 made by the Bank of North Dakota from the fund maintained pursuant to this chapter. Such  
8 loans must bear interest at a rate ~~determined by the Bank of North Dakota to be two~~  
9 ~~percentage points less than the market rate for similar commercial loans, provided that no loan~~  
10 ~~may bear interest at a rate less than one-half of one~~ two percent, ~~or more than seven percent,~~  
11 of the outstanding principal balance of the loan. In consideration of the making of a loan under  
12 this chapter, each borrower shall execute a contract with the department to operate the project  
13 in accordance with standards established under chapter 50-30. The contract must also provide  
14 that if the use of the project is discontinued or diverted to purposes other than those provided in  
15 the loan application without written consent of the department, the full amount of the loan  
16 provided under this chapter immediately becomes due and payable. The Bank of North Dakota  
17 may annually deduct, as a service fee for administering the ~~revolving~~ loan fund maintained  
18 under this chapter, one-half of one percent of the principal balance of the outstanding loans  
19 from the ~~revolving~~ fund.

20 **SECTION 6. AMENDMENT.** Section 6-09.16-06 of the 1999 Supplement to the North  
21 Dakota Century Code is amended and reenacted as follows:

22 **6-09.16-06. (~~Effective through June 30, 2001~~) Powers of Bank of North Dakota.**  
23 The Bank of North Dakota may do all acts or things necessary to negotiate loans and preserve  
24 security under this chapter, including the power to take such security as deemed necessary, to  
25 exercise any right of redemption, and to bring suit in order to collect interest and principal due  
26 the ~~revolving~~ loan fund under mortgages, contracts, and notes executed to obtain loans under  
27 the provisions of this chapter. If the applicant's plan for financing provides for a loan of funds  
28 from sources other than the state of North Dakota, the Bank of North Dakota may take a  
29 subordinate security interest. The bank may recover from the ~~revolving~~ loan fund amounts  
30 actually expended by it for legal fees and to effect a redemption.

1           **SECTION 7.** A new subsection to section 21-10-06 of the 1999 Supplement to the  
2 North Dakota Century Code is created and enacted as follows:

3           Health care trust fund.

4           **SECTION 8. Nursing facility nurses student loan grant program.**

5           1. The state health council, in cooperation with the North Dakota long term care  
6 association, shall administer the nursing facility nurses student loan grant program.

7           The purpose of the program is to provide matching funds to nursing facilities to  
8 assist the facilities in recruiting and retaining nurses. The state health council shall  
9 adopt rules necessary to administer the program, including rules establishing  
10 criteria regarding eligibility for and distribution of program grants.

11          2. An applicant for a program grant shall establish that the applicant:

12           a. Is a licensed nursing facility;

13           b. Has available matching funds equal to the amount of the grant request;

14           c. Has employed a nurse who has an outstanding student loan balance; and

15           d. Meets the eligibility criteria established by rule.

16          3. An eligible applicant may receive a program grant not exceeding five thousand five  
17 hundred dollars in the first year of the biennium. Any funds appropriated by the  
18 legislative assembly for the grant program which are remaining after the first year  
19 of the biennium may be distributed to eligible applicants in the second year of the  
20 biennium in any amount determined by the state health council.

21          **SECTION 9. AMENDMENT.** Section 23-09.3-01.1 of the 1999 Supplement to the  
22 North Dakota Century Code is amended and reenacted as follows:

23          **23-09.3-01.1. Moratorium on expansion of basic care bed capacity.** Except when  
24 ~~existing beds are converted for use by~~ nursing facilities are converting licensed nursing facility

25 bed capacity to basic care bed capacity or the alzheimer's and related dementia population

26 ~~under the pilot projects provided for in~~ established under section 50-06-14.4 are requesting

27 licensure of their existing beds as basic care bed capacity, or unless the applicant can

28 demonstrate to the department that a need for additional basic care bed capacity exists in the

29 immediate geographic area, the department may not issue a license under this chapter for any

30 additional bed capacity above the state's gross licensed capacity of one thousand four hundred

31 seventy-one beds, adjusted by any reduction in beds before July 31, 4999 2001, during the

1 period between August 1, ~~1999~~ 2001, and July 31, ~~2004~~ 2003. Transfers of existing beds from  
2 one municipality to another municipality must be approved if the licensing requirements are  
3 met, during the period August 1, ~~1999~~ 2001, to July 31, ~~2004~~ 2003, only to the extent that for  
4 each bed transfer approved the total number of licensed beds in the state is reduced by the  
5 same number transferred. ~~Existing licensed beds released by a facility which are not~~  
6 ~~immediately transferred to another facility may not be banked for future transfer to another~~  
7 ~~facility.~~ Not more than once in a twelve-month period, a nursing facility may convert licensed  
8 nursing facility bed capacity licensed after July 1, 2001, as nursing facility capacity to basic care  
9 bed capacity or may convert basic care bed capacity to licensed nursing facility bed capacity.  
10 At least ninety days before the conversion, the facility shall notify the state department of health  
11 of the facility's intent to convert bed capacity. The converted beds must be located in the same  
12 block of rooms within the facility.

13 **SECTION 10. AMENDMENT.** Section 23-16-01.1 of the 1999 Supplement to the North  
14 Dakota Century Code is amended and reenacted as follows:

15 **23-16-01.1. Moratorium on expansion of long-term care bed capacity.**

16 Notwithstanding sections 23-16-06 and 23-16-10, except when existing beds are converted for  
17 use by the alzheimer's and related dementia population under the projects provided for in  
18 section 50-06-14.4 or when nursing facilities are converting basic care bed capacity licensed  
19 after July 1, 2001, as nursing facility capacity, to nursing facility bed capacity, the state  
20 department of health may not issue a license for any additional bed capacity above the state's  
21 gross licensed capacity of seven thousand one hundred forty beds, adjusted by any reduction  
22 in beds before July 31, ~~1999~~ 2001, during the period between August 1, ~~1999~~ 2001, and  
23 July 31, ~~2004~~ 2003. Transfers of existing beds from one municipality to another municipality  
24 must be approved if the department of health licensing requirements are met, during the period  
25 August 1, ~~1999~~ 2001, to July 31, ~~2004~~ 2003, only to the extent that for each bed transfer  
26 approved the total number of licensed beds in the state is reduced by the same number  
27 transferred. Existing licensed beds released by a facility which are not immediately transferred  
28 to another facility may not be banked for future transfer to another facility. Not more than once  
29 in a twelve-month period, a nursing facility may convert licensed nursing facility bed capacity to  
30 basic care bed capacity or may convert basic care bed capacity licensed after July 1, 2001, as  
31 nursing facility capacity, to licensed nursing facility bed capacity. At least ninety days before

1 the conversion, the facility shall notify the state department of health of the facility's intent to  
2 convert bed capacity. The converted beds must be located in the same block of rooms within  
3 the facility.

4 **SECTION 11. AMENDMENT.** Section 50-24.4-30 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **50-24.4-30. (~~Effective through June 30, 2001~~) Government nursing facility funding**  
7 **pool —Appropriations.**

- 8 1. For purposes of this section:
- 9 a. "Fiscal period" means a twelve-month period determined by the department;  
10 and
- 11 b. "~~Governmental~~ Government nursing facility" means ~~any~~ a nursing home  
12 administered by any political subdivision of this state for which a rate is set  
13 under this chapter.
- 14 2. The department shall establish a pool consisting of an amount annually calculated  
15 by multiplying the total of all resident days of all nursing homes during the fiscal  
16 period during which a resident was eligible for and received benefits under chapter  
17 50-24.1 times an amount that does not exceed the amount that can reasonably be  
18 estimated to be paid under payment principles established under title XVIII of the  
19 Social Security Act [42 U.S.C. 1395; et seq.], reduced by the payment rates set for  
20 each such resident, for each such day, during the fiscal period.
- 21 3. In addition to any payment made pursuant to a rate set under this chapter, and  
22 notwithstanding any other provision of this chapter, the department shall pay to  
23 each ~~governmental~~ government nursing facility an amount determined by:
- 24 a. Dividing that facility's total inpatient days for the fiscal period by the total  
25 inpatient days of all ~~governmental~~ government nursing facilities for the fiscal  
26 period; and
- 27 b. Multiplying a decimal fraction determined under subdivision a times the pool  
28 amount determined under subsection 2.
- 29 4. Each ~~governmental~~ government nursing facility, ~~immediately upon~~ within one  
30 business day of receiving a payment under subsection 3, shall remit the amount of

- 1           that payment, less a ~~ten~~ fifty thousand dollar transaction fee, to the state treasurer  
2           for credit to:
- 3           a.    The North Dakota health care trust fund in an amount equal to the federal  
4           medical assistance percentage for the fiscal period times the total remittance  
5           to the state treasurer, less ~~ten~~ fifty thousand dollars; and
- 6           b.    The general fund for all remaining amounts. The amounts deposited in the  
7           general fund are to be considered the first moneys spent pursuant to  
8           legislative appropriations for medical assistance or medical assistance-related  
9           expenses.
- 10          5. A government nursing facility is not entitled to receive transaction fees totaling  
11          more than fifty thousand dollars during any calendar year. Each government  
12          nursing facility shall use its transaction fee revenues for long-term care-related  
13          services.
- 14          6. Notwithstanding any other provision of this code, or of any ordinance or code  
15          governing the operation of a ~~governmental~~ government nursing facility, a  
16          ~~governmental~~ government nursing facility is ~~authorized~~ entitled to receive and,  
17          upon receipt, is required to remit payments provided under this section.
- 18          ~~6.~~ 7. No payment is required under this section for any period in which the funds  
19          otherwise appropriated under subdivision b of subsection ~~7~~ 8 are unavailable due  
20          to action by the secretary of the United States department of health and human  
21          services.
- 22          ~~7.~~ 8. The department of human services, subject to legislative appropriation, may make  
23          the payments described in subsection 3 for the pool amount annually determined  
24          under subsection 2, as follows:
- 25          a.    From special funds derived from federal funds and other income, the pool  
26          amount determined under subsection 2 reduced by the amount determined  
27          under subdivision b; and
- 28          b.    From the general fund, the "state percentage" as that term is used in defining  
29          the term "federal medical assistance percentage" for purposes of title XIX of  
30          the Social Security Act [42 U.S.C. 1396; et seq.], multiplied times the pool  
31          amount determined under subsection 2.

1           **SECTION 12. AMENDMENT.** Section 50-30-01 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **50-30-01. (~~Effective through June 30, 2001—See notes~~) Definitions.** For purposes  
4 of this chapter:

- 5           1. ~~"Alternative to nursing facility care" means services described in the home and~~  
6           ~~community-based services waiver for aged persons under medical assistance.~~
- 7           2. ~~"Assisted living facility" has the meaning provided in section 50-24.5-01, but if the~~  
8           ~~term is not defined in that section, the term means a facility that:~~
- 9           a. ~~Makes response staff available at all times;~~
- 10           b. ~~Provides housing and:~~
- 11                 (1) ~~Congregate meals;~~
- 12                 (2) ~~Kitchen facilities in each resident's living quarters; or~~
- 13                 (3) ~~Any combination of congregate meals and kitchen facilities in each~~  
14                 ~~resident's living quarters sufficient to assure each resident adequate~~  
15                 ~~access to meals;~~
- 16           e. ~~Assures provision of:~~
- 17                 (1) ~~Personal care, therapeutic care, and social and recreational~~  
18                 ~~programming;~~
- 19                 (2) ~~Supervision, safety, and security;~~
- 20                 (3) ~~Medication services; and~~
- 21                 (4) ~~Transportation services;~~
- 22           d. ~~Fosters dignity, respect, and independence by allowing, to the maximum~~  
23           ~~extent feasible, each resident to determine the resident's service providers,~~  
24           ~~routines of care provision, and service delivery; and~~
- 25           e. ~~Services five or more adult residents, unrelated to the proprietor, on a~~  
26           ~~specified premises not licensed under chapter 23-20 or 25-16, which meets~~  
27           ~~the requirements of the national fire protection association 101 Life Safety~~  
28           ~~Code, as applicable.~~
- 29           3. ~~"Basic care facility" has the meaning provided in section 23-09.3-01.~~
- 30           4. ~~"Conversion" means:~~

- 1           a. ~~The remodeling of existing space and, if necessary, the construction of~~  
2           ~~additional space required to accommodate basic care facility services,~~  
3           ~~assisted living facility services, or other alternatives to nursing facility care; or~~  
4           b. ~~New construction of a basic care facility, assisted living facility, or other~~  
5           ~~alternative to nursing facility care if existing nursing facility beds are no longer~~  
6           ~~licensed and the department determines that new construction is more cost~~  
7           ~~effective than the conversion of existing space.~~

8       ~~5.~~ 2. "Department" means the department of human services.

9       ~~6.~~ 3. "Medical assistance" means a program established under title XIX of the Social  
10       Security Act [42 U.S.C. 1396, et seq.] and chapter 50-24.1.

11       ~~7.~~ 4. "Nursing facility" has the same meaning as provided in section 50-24.4-01 for the  
12       term "nursing home".

13           **SECTION 13. AMENDMENT.** Section 50-30-02 of the North Dakota Century Code is  
14       amended and reenacted as follows:

15           **50-30-02. ~~(Effective through June 30, 2001—See notes)~~ North Dakota health care**  
16       **trust fund created - ~~Appropriation~~ Uses - Continuing appropriation.** There is hereby  
17       created in the state treasury a special fund known as the North Dakota health care trust fund.  
18       The fund ~~shall include~~ consists of revenue received from ~~governmental~~ government nursing  
19       facilities for remittance to the fund under section 50-24.4-30. The department shall administer  
20       the fund and shall adopt procedures for participation by ~~governmental~~ government nursing  
21       facilities. ~~All moneys designated for the fund from whatever source derived must be deposited~~  
22       ~~with the state treasurer in the North Dakota health care trust fund.~~ The state treasurer  
23       investment board shall invest ~~such funds in interest bearing accounts, as designated by the~~  
24       ~~department~~ moneys in the fund in accordance with chapter 21-10, and the interest income  
25       earned must be deposited in the North Dakota health care trust fund. All moneys deposited in  
26       the North Dakota health care trust fund are available to the department, ~~subject to legislative~~  
27       ~~appropriation, for disbursement pursuant to the requirements of this chapter.:~~

28           1. Transfer to the long-term care facility loan fund, as authorized by legislative  
29           appropriation, for making loans pursuant to the requirements of this chapter.

30           2. Payment, as authorized by legislative appropriation, of costs of other programs  
31           authorized by the legislative assembly.

- 1           3. Repayment of federal funds, which are appropriated and may be spent if the  
2                 United States department of health and human services determines that funds  
3                 were inappropriately claimed under section 50-24.4-30.

4           **SECTION 14. AMENDMENT.** Section 50-30-04 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **50-30-04. ~~(Effective through June 30, 2001—See notes) Department to award~~**  
7 **~~grants or make loan guarantees~~ Long-term care facility loans.**

- 8           1. The department may ~~award grants from the nursing facility alternative grant fund or~~  
9                 ~~approve loans from the nursing~~ long-term care ~~facility alternative loan fund~~  
10                ~~established under chapter 6-09.16 for capital or one-time expenditures, including~~  
11                ~~startup and training expenses and operating losses for the first year:~~
- 12           a. ~~To any~~ renovation projects involving a ~~nursing facility which has been~~  
13                ~~approved for at least three years as a provider under the medical assistance~~  
14                ~~program to convert all or a portion of the facility licensed to provide such care~~  
15                ~~to a~~, basic care facility, or ~~assisted living facility, or other alternative to nursing~~  
16                ~~facility care; or~~
- 17           b. ~~To any other entity meeting conditions established by the department to~~  
18                ~~develop a basic care facility, assisted living facility, or other alternative to~~  
19                ~~nursing facility care.~~
- 20           2. ~~A nursing facility or other entity may be eligible for a grant or loan only if the basic~~  
21                ~~care facility, assisted living facility, or other alternative to nursing facility care is~~  
22                ~~located in an underserved area as determined by the department.~~
- 23           3. ~~To be eligible for a grant or loan under this section, the nursing facility or other~~  
24                ~~entity approved by the department shall provide at least twenty percent of the total~~  
25                ~~cost of any conversion. The department shall establish policies and procedures for~~  
26                ~~certification of the required matching funds. The department's share of the total~~  
27                ~~cost of~~ An approved loan for any conversion is limited to project may not exceed  
28                ~~one million dollars or eighty~~ ninety ~~percent of the project cost, whichever is less.~~
- 29           4. ~~The department shall annually establish a calendar for receiving and evaluating~~  
30                ~~proposals and awarding grants or approving loans.~~

- 1           5. ~~No grant or loan application may be approved by the department unless the~~  
2           ~~applicant can demonstrate that:~~
- 3           a. ~~Conversion of the nursing facility or portion of the facility to a basic care~~  
4           ~~facility, assisted living facility, or other alternative to nursing facility care may~~  
5           ~~offer efficient and economical care to individuals requiring long-term care~~  
6           ~~services in the area;~~
- 7           b. ~~Basic care, assisted living services, or other alternatives to nursing facility~~  
8           ~~care are unlikely to be available in the area for individuals eligible for services~~  
9           ~~under the medical assistance program; and~~
- 10          e. ~~The resulting reduction in the availability of nursing facility service is not~~  
11          ~~expected to cause undue hardship on those individuals requiring nursing~~  
12          ~~facility services.~~
- 13          3. The department shall give preference for loan approval to an applicant that is  
14          converting nursing facility bed capacity to basic care bed capacity.
- 15          6. 4. ~~No grant may be awarded or loan may be approved unless the applicant agrees:~~
- 16          a. ~~To maintain a minimum occupancy rate by individuals eligible for~~  
17          ~~supplemental security income benefits provided under title XVI of the Social~~  
18          ~~Security Act [42 U.S.C. 1382, et seq.]; and~~
- 19          b. ~~To refund to repay to the nursing facility alternative grant fund or the nursing~~  
20          ~~long-term care facility alternative loan fund, on an amortized basis, the~~  
21          ~~amount outstanding balance of the grant or loan and any accrued interest if~~  
22          ~~the applicant or its successor in interest ceases to operate a basic care~~  
23          ~~facility, assisted living facility, or other alternative to nursing facility care the~~  
24          ~~project or facility financed by the loan proceeds during the ten-year period~~  
25          ~~after the date the applicant began operation of its the project or facility as a~~  
26          ~~basic care facility, assisted living facility, or other alternative to nursing facility~~  
27          ~~care ceases to maintain the agreed minimum occupancy rate or fails to~~  
28          ~~commence operations within a reasonable time.~~
- 29          7. 5. In addition to other remedies provided by law or contract, the department may  
30          deduct the amount of any refund due from a recipient of ~~grant or a~~ loan guarantee

1                    ~~funds~~ from any money owed by the department to such recipient or the recipient's  
2                    successor in interest.

3                    **SECTION 15. NURSING FACILITY ALTERNATIVE GRANT FUND - TRANSFER -**  
4 **GRANTS ADMINISTRATION.** The state treasurer shall transfer any remaining balance in the  
5 nursing facility alternative grant fund on June 30, 2001, to the health care trust fund. The  
6 department of human services may continue making grant payments relating to grants  
7 approved during the 1999-2001 biennium under the nursing facility alternative grant fund. The  
8 department may spend moneys in the health care trust fund pursuant to legislative  
9 appropriations for the purpose of making these grant payments, for the biennium beginning  
10 July 1, 2001, and ending June 30, 2003.

11                   **SECTION 16. NURSING FACILITY ALTERNATIVE LOANS - 1999-2001 BIENNIUM -**  
12 **INTEREST RATE ADJUSTMENT.** The Bank of North Dakota and the department of human  
13 services shall adjust the rate of interest charged on nursing facility alternative loans approved  
14 during the biennium beginning July 1, 1999, and ending June 30, 2001, to a rate equivalent to  
15 two percent effective July 1, 2001, taking into consideration any grants approved in conjunction  
16 with the loan.

17                   **SECTION 17. LEGISLATIVE INTENT - HEALTH CARE TRUST FUND USES.** It is the  
18 intent of the fifty-seventh legislative assembly that the June 30, 2003, unobligated balance in  
19 the health care trust fund and any investment earnings on that amount during the 2003-05  
20 biennium not be appropriated but be retained in the fund to be used to continue, for periods  
21 subsequent to the 2003-05 biennium, the increased funding levels authorized in this Act for the  
22 2001-03 biennium.

23                   **SECTION 18. APPROPRIATION - GOVERNMENT NURSING FACILITY FUNDING**  
24 **POOL.** The funds provided in this section, or so much of the funds as may be necessary, are  
25 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
26 appropriated, and from special funds derived from federal funds, to the department of human  
27 services for the purpose of making government nursing facility funding pool payments under  
28 section 50-24.4-30, for the biennium beginning July 1, 2001, and ending June 30, 2003.

29 Total all funds	\$38,750,000
30 Less estimated income	<u>27,100,000</u>
31 Total general fund appropriation	\$11,650,000

1           **SECTION 19. ADDITIONAL GOVERNMENT NURSING FACILITY FUNDING POOL**  
2 **PAYMENTS - CONTINUING APPROPRIATION - GENERAL FUND REPAYMENT.** Any  
3 estimated income in excess of the \$27,100,000 appropriated in section 18 of this Act which  
4 becomes available based on the calculation provided for in section 50-24.4-30 is appropriated  
5 and may be spent by the department of human services for the purpose of making the  
6 additional government nursing facility fund pool payments for the biennium beginning July 1,  
7 2001, and ending June 30, 2003. Any additional state matching funds required are  
8 appropriated and may be spent from the general fund by the department of human services for  
9 the purpose of making the additional payments, for the biennium beginning July 1, 2001, and  
10 ending June 30, 2003. Any general fund amounts spent pursuant to this section must be  
11 returned to the general fund within two days.

12           **SECTION 20. APPROPRIATION - 1999-2001 BIENNIUM GOVERNMENT NURSING**  
13 **FACILITY TRANSACTION FEE.** There is appropriated out of any moneys in the health care  
14 trust fund in the state treasury, not otherwise appropriated, the sum of \$800,000, or so much of  
15 the sum as may be necessary, to the department of human services for the purpose of making  
16 an additional transaction fee payment to the government nursing facilities, for the period  
17 beginning with the effective date of this Act and ending June 30, 2001. Notwithstanding section  
18 50-24.4-30, the department of human services shall make a transaction fee payment of  
19 \$400,000 to the government nursing facility in Dunseith and a transaction fee payment of  
20 \$400,000 to the government nursing facility in McVille by June 30, 2001. The additional  
21 payment relates to government nursing facility funding pool payments made before the  
22 effective date of this Act. Each government nursing facility shall use its transaction fee revenue  
23 for long-term care-related services.

24           **SECTION 21. APPROPRIATION - ADMINISTRATIVE COSTS.** There is appropriated  
25 out of any moneys in the health care trust fund in the state treasury, not otherwise  
26 appropriated, the sum of \$71,158, or so much of the sum as may be necessary, to the  
27 department of human services for the purpose of defraying the administrative costs associated  
28 with the intergovernmental transfer program, for the biennium beginning July 1, 2001, and  
29 ending June 30, 2003.

30           **SECTION 22. APPROPRIATION - LONG-TERM CARE FACILITY LOANS.** There is  
31 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise

1 appropriated, the sum of \$13,000,000, or so much of the sum as may be necessary, to the  
2 department of human services for the purpose of making transfers to the long-term care facility  
3 loan fund for loans approved under chapter 50-30, for the biennium beginning July 1, 2001, and  
4 ending June 30, 2003. Of this amount, up to \$4,960,000 may be used for commitments made  
5 during the biennium beginning July 1, 1999, and ending June 30, 2001.

6 **SECTION 23. APPROPRIATION - NURSING HOME BED REDUCTION.** There is  
7 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise  
8 appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, to the  
9 department of human services for the purpose of providing incentives to nursing homes to  
10 reduce licensed nursing facility bed capacity for the biennium beginning July 1, 2001, and  
11 ending June 30, 2003. The department of human services may pay incentives of up to \$15,000  
12 per bed to nursing facilities that reduce licensed nursing facility bed capacity. An incentive may  
13 not be paid for nursing facility bed capacity that is temporarily converted to basic care bed  
14 capacity. The department shall establish rules that allow nursing facilities to make offers to  
15 reduce licensed nursing facility bed capacity on a quarterly basis beginning July 1, 2001. Any  
16 offer that meets the criteria of this section and is within legislative appropriations must be  
17 approved by the department. The department shall inform the facility making an offer within  
18 five business days of receiving the offer of the department's approval or disapproval of the  
19 offer.

20 **SECTION 24. APPROPRIATION - NURSING HOME COMPENSATION**  
21 **ENHANCEMENT.** There is appropriated out of any moneys in the health care trust fund in the  
22 state treasury, not otherwise appropriated, the sum of \$8,189,054, or so much of the sum as  
23 may be necessary, and from special funds derived from federal funds the sum of \$19,107,793,  
24 or so much of the sum as may be necessary, to the department of human services for the  
25 purpose of providing salary and benefit enhancements to nursing facility employees, or if a  
26 facility is combined with a hospital, to nursing facility and hospital employees, for the biennium  
27 beginning July 1, 2001, and ending June 30, 2003. The department of human services shall  
28 increase nursing facility payment rates to provide for these increases beginning July 1, 2001.

29 **SECTION 25. APPROPRIATION - BASIC CARE COMPENSATION ENHANCEMENT.**  
30 There is appropriated out of any moneys in the health care trust fund in the state treasury, not  
31 otherwise appropriated, the sum of \$202,080, or so much of the sum as may be necessary, and

1 from special funds derived from federal funds the sum of \$471,520, or so much of the sum as  
2 may be necessary, to the department of human services for the purpose of providing salary and  
3 benefit enhancements to basic care facility employees, for the biennium beginning July 1, 2001,  
4 and ending June 30, 2003. The department of human services shall increase basic care facility  
5 payment rates to provide for these increases beginning July 1, 2001.

6 **SECTION 26. APPROPRIATION - NURSING HOME REBASING.** There is  
7 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise  
8 appropriated, the sum of \$1,165,303, or so much of the sum as may be necessary, and from  
9 special funds derived from federal funds, the sum of \$2,719,040, or so much of the sum as may  
10 be necessary, to the department of human services for the purpose of recognizing increased  
11 costs as a result of rebasing nursing facility limits based on cost reports for the year ending  
12 June 30, 2000, for the period beginning January 1, 2002, and ending June 30, 2003.

13 **SECTION 27. APPROPRIATION - PERSONAL CARE ALLOWANCE FOR NURSING**  
14 **FACILITY AND INTERMEDIATE CARE FACILITY FOR THE MENTALLY RETARDED**  
15 **RESIDENTS.** There is appropriated out of any moneys in the health care trust fund in the state  
16 treasury, not otherwise appropriated, the sum of \$309,600, or so much of the sum as may be  
17 necessary, and from special funds derived from federal funds, the sum of \$708,000, or so much  
18 of the sum as may be necessary, to the department of human services for the purpose of  
19 increasing the personal care allowance for nursing home and intermediate care for the mentally  
20 retarded residents by \$10 per month, from \$40 to \$50 per month, for the period beginning  
21 January 1, 2002, and ending June 30, 2003.

22 **SECTION 28. APPROPRIATION - PERSONAL CARE ALLOWANCE FOR BASIC**  
23 **CARE RESIDENTS.** There is appropriated out of any moneys in the health care trust fund in  
24 the state treasury, not otherwise appropriated, the sum of \$180,000, or so much of the sum as  
25 may be necessary, to the department of human services for the purpose of increasing the  
26 personal care allowance for basic care residents by \$15 per month, from \$45 to \$60 per month,  
27 for the biennium beginning July 1, 2001, and ending June 30, 2003.

28 **SECTION 29. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE NEEDS.** The  
29 legislative council shall consider studying, during the 2001-02 interim, the long-term care needs  
30 and the nursing facility payment system in North Dakota. If studied, the legislative council shall

1 receive progress reports and a final report from the department of human services on the  
2 statewide needs assessment and nursing facility payment system study for long-term care.

3 **SECTION 30. APPROPRIATION - LONG-TERM CARE NEEDS STUDY.** There is  
4 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise  
5 appropriated, the sum of \$241,006, or so much of the sum as may be necessary, to the  
6 department of human services for the purpose of conducting a statewide needs assessment  
7 and nursing facility payment system study for long-term care, for the period beginning July 1,  
8 2001, and ending January 1, 2003.

9 **SECTION 31. APPROPRIATION - STATE DEPARTMENT OF HEALTH - NURSING**  
10 **FACILITY NURSES STUDENT LOAN GRANT PROGRAM.** There is appropriated out of any  
11 moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum  
12 of \$489,500, or so much of the sum as may be necessary, to the state department of health for  
13 the purpose of making nursing facility nurses student loan grants, for the biennium beginning  
14 July 1, 2001, and ending June 30, 2003.

15 **SECTION 32. APPROPRIATION - SERVICE PAYMENTS FOR THE ELDERLY AND**  
16 **DISABLED.** There is appropriated out of any moneys in the health care trust fund in the state  
17 treasury, not otherwise appropriated, the sum of \$6,898,302, or so much of the sum as may be  
18 necessary, to the department of human services for the purpose of making service payments  
19 for the elderly and disabled, for the biennium beginning July 1, 2001, and ending June 30,  
20 2003.

21 **SECTION 33. APPROPRIATION - HEALTH INSURANCE PORTABILITY AND**  
22 **ACCOUNTABILITY ACT.** There is appropriated out of any moneys in the health care trust  
23 fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the  
24 sum as may be necessary, and from special funds derived from federal funds, the sum of  
25 \$5,055,347, or so much of the sum as may be necessary, to the department of human services  
26 for the purpose of defraying the expenses of complying with the federal Health Insurance  
27 Portability and Accountability Act or other technology projects, for the period beginning with the  
28 effective date of this Act and ending June 30, 2003.

29 **SECTION 34. APPROPRIATION - 1999-2001 BIENNIUM NURSING FACILITY**  
30 **GRANTS.** There is appropriated out of any moneys in the health care trust fund in the state  
31 treasury, not otherwise appropriated, the sum of \$100,226, or so much of the sum as may be

1 necessary, to the department of human services for the purpose of making payments on grants  
2 approved under the nursing facility alternative grant fund during the 1999-2001 biennium, for  
3 the biennium beginning July 1, 2001, and ending June 30, 2003.

4 **SECTION 35. APPROPRIATION - SENIOR CITIZEN MILL LEVY MATCHING**

5 **GRANTS.** There is appropriated out of any moneys in the health care trust fund in the state  
6 treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be  
7 necessary, to the department of human services for the purpose of providing additional senior  
8 citizen mill levy matching grants, for the biennium beginning July 1, 2001, and ending June 30,  
9 2003.

10 **SECTION 36. APPROPRIATION - MEDICAL ASSISTANCE - TARGETED CASE**

11 **MANAGEMENT SERVICES.** There is appropriated out of any moneys in the health care trust  
12 fund in the state treasury, not otherwise appropriated, the sum of \$338,530, or so much of the  
13 sum as may be necessary, and from special funds derived from federal funds, the sum of  
14 \$769,220, or so much of the sum as may be necessary, to the department of human services  
15 for the purpose of making medical assistance payments for targeted case management  
16 services, for the biennium beginning July 1, 2001, and ending June 30, 2003.

17 **SECTION 37. APPROPRIATION - INDEPENDENT LIVING CENTER GRANTS.**

18 There is appropriated out of any moneys in the health care trust fund in the state treasury, not  
19 otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to  
20 the department of human services for the purpose of providing grants to independent living  
21 centers, for the biennium beginning July 1, 2001, and ending June 30, 2003.

22 **SECTION 38. APPROPRIATION - TRAINING GRANTS.** There is appropriated out of

23 any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the  
24 sum of \$140,000, or so much of the sum as may be necessary, to the department of human  
25 services for the purpose of providing grants to organizations for training qualified service  
26 providers, for the biennium beginning July 1, 2001, and ending June 30, 2003. A qualified  
27 service provider means a county agency or independent contractor that agrees to meet  
28 standards for services and operations established by the department of human services for the  
29 provision of services to individuals receiving long-term care services in a home or  
30 community-based setting.

1           **SECTION 39. HEALTH CARE TRUST FUND - MINIMUM BALANCE REQUIRED.**

2   Except for making payments under subsection 3 of section 50-30-02, the state treasurer may  
3   not allow expenditures or transfers from the health care trust fund that would reduce the  
4   unobligated balance in the fund below \$13,000,000 until the director of the department of  
5   human services certifies to the state treasurer that the federal health care financing  
6   administration's claim for the return of \$13,000,000 of the state's first-year payment has been  
7   resolved, for the period beginning with the effective date of this Act and ending June 30, 2003.

8           **SECTION 40. DEPARTMENT OF HUMAN SERVICES - EMERGENCY**

9   **RULEMAKING AUTHORITY.** Notwithstanding subsection 6 of section 28-32-02, the  
10   department of human services may adopt interim final rules to implement this Act for the  
11   biennium beginning with the effective date of this Act and ending June 30, 2003. The  
12   department shall take appropriate measures to make the interim final rules known to every  
13   person who may be affected by them. The interim final rules are ineffective one hundred eighty  
14   days after its declared effective date unless first adopted as final rules.

15           **SECTION 41. EXPIRATION DATE.** Sections 9 and 10 of this Act are effective through  
16   July 31, 2003, and after that date are ineffective.

17           **SECTION 42. EMERGENCY.** Sections 20, 33, 39, and 40 of this Act are declared to  
18   be an emergency measure.