

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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**SENATE BILL 708\***

Short Title: Domiciliary Home Rate Increase.

(Public)

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Sponsors: Senators Walker; Daniel, Richardson, and Murphy.

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Referred to: Human Resources.

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April 18, 1991

**A BILL TO BE ENTITLED**

**AN ACT TO SET MAXIMUM RATES FOR RESIDENTS IN DOMICILIARY CARE FACILITIES.**

Whereas, April 1, 1991, the federal minimum wage increase from three dollars and eighty cents (\$3.80) per hour to four dollars and twenty-five cents (\$4.25) per hour applicable to a long term care facility with a high minimum wage employment force will yield an average thirty-two dollar (\$32.00) per month cost per resident increase; and

Whereas, current efforts to lower costs of care for long term care residents require employment of a disproportionately large percentage of minimum wage employees resulting in greater than a two hundred forty percent (240%) turnover rate; and

Whereas, effective January 1, 1990, new classifications for all domiciliary care facilities for Workers' Compensation Insurance could mean that a facility will be paying as much as four times its 1990 rate during 1991; and

Whereas, in 1989 the North Carolina Department of Human Resources disclosed that the cost reports required of facilities showed that the cost of providing services to public assistance recipients was eighty dollars (\$80.00) per month per resident more than was being paid; and

Whereas, other related health care agencies are projected to receive a cost index increase of eight percent (8%) for the fiscal year beginning October 1, 1991 and eleven percent (11%) for the fiscal year beginning October 1, 1992; Now, therefore, The General Assembly of North Carolina enacts:

1           Section 1. Effective July 1, 1991, the maximum monthly rate for ambulatory  
2 residents in domiciliary care facilities shall be eight hundred forty-eight dollars  
3 (\$848.00) and the maximum monthly rate for semi-ambulatory residents shall be eight  
4 hundred eighty-eight dollars (\$888.00). Effective July 1, 1992, the maximum monthly  
5 rates for ambulatory residents shall be increased to nine hundred forty-one dollars  
6 (\$941.00) and for semi-ambulatory residents to nine hundred eighty-six dollars  
7 (\$986.00).

8           In addition to the maximum rates set out above, the domiciliary care rate  
9 maximum for each individual receiving federal Supplemental Security Income (SSI)  
10 shall be increased in the amount of the Cost Of Living Adjustment (COLA) percentage  
11 granted to each recipient.

12           Sec. 2. This act becomes effective July 1, 1991.