

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 456
Committee Substitute Favorable 4/15/09
PROPOSED SENATE COMMITTEE SUBSTITUTE H456-PCS50768-TD-67

Short Title: Tech. & Org. Changes/Certain DHHS Facilities.

(Public)

Sponsors:

Referred to:

March 9, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL AND ORGANIZATIONAL CHANGES TO THE LAW
3 REGARDING THE LICENSURE AND INSPECTION OF FACILITIES FOR AGED
4 AND DISABLED INDIVIDUALS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1.(a) Chapter 131D of the General Statutes is amended by adding the
7 following new Article to read:

8 "Article 1B.

9 "Licensing of Maternity Homes."

10 SECTION 1.(b) G.S. 131D-1 is recodified as G.S. 131D-10.10 under Article 1B
11 of Chapter 131D of the General Statutes.

12 SECTION 1.(c) The title of Article 1 of Chapter 131D of the General Statutes
13 reads as rewritten:

14 "Article 1.

15 ~~Licensing of Facilities.~~

16 Adult Care Homes."

17 SECTION 1.(d) G.S. 131D-2 is repealed.

18 SECTION 1.(e) Article 1 of Chapter 131D of the General Statutes, as amended by
19 Section 1(c) of this act, is amended by adding the following new Parts to read:

20 "Part 1. Licensing.

21 "§ 131D-2.1. Definitions.

22 As used in this Article:

- 23 (1) Abuse. – The willful or grossly negligent infliction of physical pain, injury,
24 or mental anguish, unreasonable confinement, or the willful or grossly
25 negligent deprivation by the administrator or staff of an adult care home of
26 services which are necessary to maintain mental and physical health.
27 (2) Administrator. – A person approved by the Department of Health and
28 Human Services who has the responsibility for the total operation of a
29 licensed adult care home.
30 (3) Adult care home. – An assisted living residence in which the housing
31 management provides 24-hour scheduled and unscheduled personal care
32 services to two or more residents, either directly or for scheduled needs,
33 through formal written agreement with licensed home care or hospice



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1 agencies. Some licensed adult care homes provide supervision to persons
2 with cognitive impairments whose decisions, if made independently, may
3 jeopardize the safety or well-being of themselves or others and therefore
4 require supervision. Medication in an adult care home may be administered
5 by designated trained staff. Adult care homes that provide care to two to six
6 unrelated residents are commonly called family care homes.

7 (4) Amenities. – Services such as meals, housekeeping, transportation, and
8 grocery shopping that do not involve hands-on personal care.

9 (5) Assisted living residence. – Any group housing and services program for
10 two or more unrelated adults, by whatever name it is called, that makes
11 available, at a minimum, one meal a day and housekeeping services and
12 provides personal care services directly or through a formal written
13 agreement with one or more licensed home care or hospice agencies. The
14 Department may allow nursing service exceptions on a case-by-case basis.
15 Settings in which services are delivered may include self-contained
16 apartment units or single or shared room units with private or area baths.
17 Assisted living residences are to be distinguished from nursing homes
18 subject to provisions of G.S. 131E-102. There are three types of assisted
19 living residences: adult care homes, adult care homes that serve only elderly
20 persons, and multiunit assisted housing with services. As used in this
21 section, "elderly person" means:

22 a. Any person who has attained the age of 55 years or older and
23 requires assistance with activities of daily living, housing, and
24 services, or

25 b. Any adult who has a primary diagnosis of Alzheimer's disease or
26 other form of dementia who requires assistance with activities of
27 daily living, housing, and services provided by a licensed
28 Alzheimer's and dementia care unit.

29 (6) Compensatory agent. – A spouse, relative, or other caretaker who lives with
30 a resident and provides care to a resident.

31 (7) Department. – The Department of Health and Human Services unless some
32 other meaning is clearly indicated from the context.

33 (8) Exploitation. – The illegal or improper use of an aged or disabled resident or
34 the aged or disabled resident's resources for another's profit or advantage.

35 (9) Family care home. – An adult care home having two to six residents. The
36 structure of a family care home may be no more than two stories high, and
37 none of the aged or physically disabled persons being served there may be
38 housed in the upper story without provision for two direct exterior
39 ground-level accesses to the upper story.

40 (10) Multiunit assisted housing with services. – An assisted living residence in
41 which hands-on personal care services and nursing services which are
42 arranged by housing management are provided by a licensed home care or
43 hospice agency through an individualized written care plan. The housing
44 management has a financial interest or financial affiliation or formal written
45 agreement which makes personal care services accessible and available
46 through at least one licensed home care or hospice agency. The resident has
47 a choice of any provider, and the housing management may not combine
48 charges for housing and personal care services. All residents, or their
49 compensatory agents, must be capable, through informed consent, of
50 entering into a contract and must not be in need of 24-hour supervision.
51 Assistance with self-administration of medications may be provided by

1 appropriately trained staff when delegated by a licensed nurse according to
2 the home care agency's established plan of care. Multiunit assisted housing
3 with services programs are required to register with the Division of Health
4 Service Regulation and to provide a disclosure statement. The disclosure
5 statement is required to be a part of the annual rental contract that includes a
6 description of the following requirements:

- 7 a. Emergency response system;
- 8 b. Charges for services offered;
- 9 c. Limitations of tenancy;
- 10 d. Limitations of services;
- 11 e. Resident responsibilities;
- 12 f. Financial/legal relationship between housing management and home
13 care or hospice agencies;
- 14 g. A listing of all home care or hospice agencies and other community
15 services in the area;
- 16 h. An appeals process; and
- 17 i. Procedures for required initial and annual resident screening and
18 referrals for services.

19 Continuing care retirement communities, subject to regulation by the
20 Department of Insurance under Chapter 58 of the General Statutes, are
21 exempt from the regulatory requirements for multiunit assisted housing with
22 services programs.

- 23 (11) Neglect. – The failure to provide the services necessary to maintain a
24 resident's physical or mental health.
- 25 (12) Personal care services. – Any hands-on services allowed to be performed by
26 In-Home Aides II or III as outlined in Department rules.
- 27 (13) Registration. – The submission by a multiunit assisted housing with services
28 provider of a disclosure statement containing all the information as outlined
29 in subdivision (10) of this section.
- 30 (14) Resident. – A person living in an assisted living residence for the purpose of
31 obtaining access to housing and services provided or made available by
32 housing management.
- 33 (15) Secretary. – The Secretary of Health and Human Services unless some other
34 meaning is clearly indicated from the context.

35 **"§ 131D-2.2. Persons not to be cared for in adult care homes and multiunit assisted**
36 **housing with services; hospice care; obtaining services.**

37 (a) Adult Care Homes. – Except when a physician certifies that appropriate care can be
38 provided on a temporary basis to meet the resident's needs and prevent unnecessary relocation,
39 adult care homes shall not care for individuals with any of the following conditions or care
40 needs:

- 41 (1) Ventilator dependency;
- 42 (2) Individuals requiring continuous licensed nursing care;
- 43 (3) Individuals whose physician certifies that placement is no longer
44 appropriate;
- 45 (4) Individuals whose health needs cannot be met in the specific adult care home
46 as determined by the residence; and
- 47 (5) Such other medical and functional care needs as the Medical Care
48 Commission determines cannot be properly met in an adult care home.

49 (b) Multiunit Assisted Housing With Services. – Except when a physician certifies that
50 appropriate care can be provided on a temporary basis to meet the resident's needs and prevent

1 unnecessary relocation, multiunit assisted housing with services shall not care for individuals
2 with any of the following conditions or care needs:

- 3 (1) Ventilator dependency;
- 4 (2) Dermal ulcers III and IV, except those stage III ulcers which are determined
5 by an independent physician to be healing;
- 6 (3) Intravenous therapy or injections directly into the vein, except for
7 intermittent intravenous therapy managed by a home care or hospice agency
8 licensed in this State;
- 9 (4) Airborne infectious disease in a communicable state that requires isolation of
10 the individual or requires special precautions by the caretaker to prevent
11 transmission of the disease, including diseases such as tuberculosis and
12 excluding infections such as the common cold;
- 13 (5) Psychotropic medications without appropriate diagnosis and treatment plans;
- 14 (6) Nasogastric tubes;
- 15 (7) Gastric tubes, except when the individual is capable of independently
16 feeding himself or herself and caring for the tube, or as managed by a home
17 care or hospice agency licensed in this State;
- 18 (8) Individuals requiring continuous licensed nursing care;
- 19 (9) Individuals whose physician certifies that placement is no longer
20 appropriate;
- 21 (10) Unless the individual's independent physician determines otherwise,
22 individuals who require maximum physical assistance as documented by a
23 uniform assessment instrument and who meet Medicaid nursing facility
24 level-of-care criteria as defined in the State Plan for Medical Assistance.
25 Maximum physical assistance means that an individual has a rating of total
26 dependence in four or more of the seven activities of daily living as
27 documented on a uniform assessment instrument;
- 28 (11) Individuals whose health needs cannot be met in the specific multiunit
29 assisted housing with services as determined by the residence; and
- 30 (12) Such other medical and functional care needs as the Medical Care
31 Commission determines cannot be properly met in multiunit assisted
32 housing with services.

33 (c) Hospice Care. – At the request of the resident, hospice care may be provided in an
34 assisted living residence under the same requirements for hospice programs as described in
35 Article 10 of Chapter 131E of the General Statutes.

36 (d) Obtaining Services. – The resident of an assisted living facility has the right to
37 obtain services at the resident's own expense from providers other than the housing
38 management. This subsection shall not be construed to relieve the resident of the resident's
39 contractual obligation to pay the housing management for any services covered by the contract
40 between the resident and housing management.

41 **"§ 131D-2.3. Exemptions from licensure.**

42 (a) The following are excluded from this Article and are not required to be registered or
43 obtain licensure under this Article:

- 44 (1) Facilities licensed under Chapter 122C or Chapter 131E of the General
45 Statutes;
- 46 (2) Persons subject to rules of the Division of Vocational Rehabilitation
47 Services;
- 48 (3) Facilities that care for no more than four persons, all of whom are under the
49 supervision of the United States Veterans Administration;
- 50 (4) Facilities that make no charges for housing, amenities, or personal care
51 service, either directly or indirectly; and

1 (5) Institutions that are maintained or operated by a unit of government and that
2 were established, maintained, or operated by a unit of government and
3 exempt from licensure by the Department on September 30, 1995.

4 "**§ 131D-2.4. Licensure of adult care homes for aged and disabled individuals; impact of**
5 **prior violations on licensure; compliance history review; license renewal.**

6 (a) Licensure. – Except for those facilities exempt under G.S. 131D-2.3, the
7 Department of Health and Human Services shall inspect and license all adult care homes. The
8 Department shall issue a license for a facility not currently licensed as an adult care home for a
9 period of six months. If the licensee demonstrates substantial compliance with Articles 1 and 3
10 of this Chapter and rules adopted thereunder, the Department shall issue a license for the
11 balance of the calendar year.

12 (b) Compliance History Review. – Prior to issuing a new license or renewing an
13 existing license, the Department shall conduct a compliance history review of the facility and
14 its principals and affiliates. The Department may refuse to license a facility when the
15 compliance history review shows a pattern of noncompliance with State law by the facility or
16 its principals or affiliates, or otherwise demonstrates disregard for the health, safety, and
17 welfare of residents in current or past facilities. The Department shall require compliance
18 history information and make its determination according to rules adopted by the Medical Care
19 Commission.

20 (c) Prior Violations. – No new license shall be issued for any adult care home to an
21 applicant for licensure who:

22 (1) Was the owner, principal, or affiliate of a licensable facility under this
23 Chapter, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes
24 that had its license revoked until one full year after the date of revocation;

25 (2) Is the owner, principal, or affiliate of an adult care home that was assessed a
26 penalty for a Type A or Type B violation until the earlier of one year from
27 the date the penalty was assessed or until the home has substantially
28 complied with the correction plan established pursuant to G.S. 131D-34 and
29 substantial compliance has been certified by the Department;

30 (3) Is the owner, principal, or affiliate of an adult care home that had its license
31 summarily suspended or downgraded to provisional status as a result of
32 Type A or Type B violations until six months from the date of reinstatement
33 of the license, restoration from provisional to full licensure, or termination of
34 the provisional license, as applicable; or

35 (4) Is the owner, principal, or affiliate of a licensable facility that had its license
36 summarily suspended or downgraded to provisional status as a result of
37 violations under this Article or Chapter 122C of the General Statutes or had
38 its license summarily suspended or denied under Article 7 of Chapter 110 of
39 the General Statutes until six months from the date of the reinstatement of
40 the license, restoration from provisional to full licensure, or termination of
41 the provisional license, as applicable.

42 An applicant for new licensure may appeal a denial of certification of substantial
43 compliance under subdivision (2) of this subsection by filing with the Department a request for
44 review by the Secretary within 10 days of the date of denial of the certification. Within 10 days
45 of receipt of the request for review, the Secretary shall issue to the applicant a written
46 determination that either denies certification of substantial compliance or certifies substantial
47 compliance. The decision of the Secretary is final.

48 (d) License Renewals. – License renewals shall be valid for one year from the date of
49 renewal unless revoked earlier by the Secretary for failure to comply with any part of this
50 section or any rules adopted hereunder. Licenses shall be renewed annually upon filing and the
51 Department's approval of the renewal application. The Department shall not renew a license if

1 outstanding fees, fines, and penalties imposed by the State against the home have not been paid.
2 Fines and penalties for which an appeal is pending are exempt from consideration. The renewal
3 application shall contain all necessary and reasonable information that the Department may
4 require.

5 (e) In order for an adult care home to maintain its license, it shall not hinder or interfere
6 with the proper performance of duty of a lawfully appointed community advisory committee, as
7 defined by G.S. 131D-31 and G.S. 131D-32.

8 (f) The Department shall not issue a new license for a change of ownership of an adult
9 care home if outstanding fees, fines, and penalties imposed by the State against the home have
10 not been paid. Fines and penalties for which an appeal is pending are exempt from
11 consideration.

12 **"§ 131D-2.5. License fees.**

13 The Department shall charge each adult care home with six or fewer beds a nonrefundable
14 annual license fee in the amount of two hundred fifty dollars (\$250.00). The Department shall
15 charge each adult care home with more than six beds a nonrefundable annual license fee in the
16 amount of three hundred fifty dollars (\$350.00) plus a nonrefundable annual per-bed fee of
17 twelve dollars and fifty cents (\$12.50).

18 **"§ 131D-2.6. Legal action by Department.**

19 (a) Notwithstanding the existence or pursuit of any other remedy, the Department may,
20 in the manner provided by law, maintain an action in the name of the State for injunction or
21 other process against any person to restrain or prevent the establishment, conduct, management,
22 or operation of an adult care home without a license. Such action shall be instituted in the
23 superior court of the county in which any unlicensed activity has occurred or is occurring.

24 (b) Any individual or corporation that establishes, conducts, manages, or operates a
25 facility subject to licensure under this section without a license is guilty of a Class 3
26 misdemeanor and, upon conviction, shall be punishable only by a fine of not more than fifty
27 dollars (\$50.00) for the first offense and not more than five hundred dollars (\$500.00) for each
28 subsequent offense. Each day of a continuing violation after conviction shall be considered a
29 separate offense.

30 (c) If any person shall hinder the proper performance of duty of the Secretary or the
31 Secretary's representative in carrying out this section, the Secretary may institute an action in
32 the superior court of the county in which the hindrance has occurred for injunctive relief
33 against the continued hindrance, irrespective of all other remedies at law.

34 (d) Actions under this section shall be in accordance with Article 37 of Chapter 1 of the
35 General Statutes and Rule 65 of the Rules of Civil Procedure.

36 **"§ 131D-2.7. Provisional license; license revocation; summary suspension of license;**
37 **suspension of admission.**

38 (a) Provisional License. – Except as otherwise provided in this section, the Department
39 may amend a license by reducing it from a full license to a provisional license for a period of
40 not more than 90 days whenever the Department finds that:

41 (1) The licensee has substantially failed to comply with the provisions of
42 Articles 1 and 3 of this Chapter and the rules adopted pursuant to these
43 Articles;

44 (2) There is a reasonable probability that the licensee can remedy the licensure
45 deficiencies within a reasonable length of time; and

46 (3) There is a reasonable probability that the licensee will be able thereafter to
47 remain in compliance with the licensure rules for the foreseeable future.

48 The Department may extend a provisional license for not more than one additional 90-day
49 period upon finding that the licensee has made substantial progress toward remedying the
50 licensure deficiencies that caused the license to be reduced to provisional status.

1 The Department also may issue a provisional license to a facility, pursuant to rules adopted
2 by the Medical Care Commission, for substantial failure to comply with the provisions of this
3 section or rules adopted pursuant to this section. Any facility wishing to contest the issuance of
4 a provisional license shall be entitled to an administrative hearing as provided in the
5 Administrative Procedure Act, Chapter 150B of the General Statutes. A petition for a contested
6 case shall be filed within 30 days after the Department mails written notice of the issuance of
7 the provisional license.

8 **(b) License Revocation.** – The Department may revoke a license whenever:

9 **(1) The Department finds that:**

10 a. The licensee has substantially failed to comply with the provisions of
11 Articles 1 and 3 of this Chapter and the rules adopted pursuant to
12 these Articles; and

13 b. It is not reasonably probable that the licensee can remedy the
14 licensure deficiencies within a reasonable length of time; or

15 **(2) The Department finds that:**

16 a. The licensee has substantially failed to comply with the provisions of
17 Articles 1 and 3 of this Chapter and the rules adopted pursuant to
18 these Articles; and

19 b. Although the licensee may be able to remedy the deficiencies within
20 a reasonable time, it is not reasonably probable that the licensee will
21 be able to remain in compliance with licensure rules for the
22 foreseeable future; or

23 c. The licensee has failed to comply with the provisions of Articles 1
24 and 3 of this Chapter and the rules adopted pursuant to these Articles,
25 and the failure to comply endangered the health, safety, or welfare of
26 the patients in the facility.

27 **(c) Summary Suspension.** – The Department may summarily suspend a license pursuant
28 to G.S. 150B-3(c) whenever it finds substantial evidence of abuse, neglect, exploitation, or any
29 condition which presents an imminent danger to the health and safety of any resident of the
30 home. Any facility wishing to contest summary suspension of a license shall be entitled to an
31 administrative hearing as provided in the Administrative Procedure Act, Chapter 150B of the
32 General Statutes. A petition for a contested case shall be filed within 20 days after the
33 Department mails a notice of summary suspension to the licensee.

34 **(d) Suspension of Admissions.**

35 **(1) In addition to the administrative penalties described in this Article, the**
36 Secretary may suspend the admission of any new residents to an adult care
37 home where the conditions of the adult care home are detrimental to the
38 health or safety of the residents. This suspension shall be for the period
39 determined by the Secretary and shall remain in effect until the Secretary is
40 satisfied that conditions or circumstances merit removing the suspension.

41 **(2) In imposing a suspension under this section, the Secretary shall consider the**
42 following factors:

43 a. The degree of sanctions necessary to ensure compliance with this
44 section and rules adopted hereunder; and

45 b. The character and degree of impact of the conditions at the home on
46 the health or safety of its residents.

47 **(3) The Secretary of Health and Human Services shall adopt rules to implement**
48 this section.

49 **(4) Any facility wishing to contest a suspension of admissions shall be entitled**
50 to an administrative hearing as provided in the Administrative Procedure
51 Act, Chapter 150B of the General Statutes. A petition for a contested case

1 shall be filed within 20 days after the Department mails a notice of
2 suspension of admissions to the licensee.

3 **"§§ 131D-2.8 through 2.10: Reserved for future codification purposes.**

4 "Part 2. Other Laws Pertaining to the Inspection
5 and Operation of Adult Care Homes.

6 **"§ 131D-2.11. Inspections, monitoring, and review by State agency and county**
7 **departments of social services.**

8 (a) State Inspection and Monitoring. – The Department shall ensure that adult care
9 homes required to be licensed by this Article are monitored for licensure compliance on a
10 regular basis. All facilities licensed under this Article and adult care units in nursing homes are
11 subject to inspections at all times by the Secretary. The Division of Health Service Regulation
12 shall inspect all adult care homes and adult care units in nursing homes on an annual basis. In
13 addition, the Department shall ensure that adult care homes are inspected every two years to
14 determine compliance with physical plant and life-safety requirements.

15 (b) Monitoring by County. – The Department shall work with county departments of
16 social services to do the routine monitoring in adult care homes to ensure compliance with
17 State and federal laws, rules, and regulations in accordance with policy and procedures
18 established by the Division of Health Service Regulation and to have the Division of Health
19 Service Regulation oversee this monitoring and perform any required follow-up inspection. The
20 county departments of social services shall document in a written report all on-site visits,
21 including monitoring visits, revisits, and complaint investigations. The county departments of
22 social services shall submit to the Division of Health Service Regulation written reports of each
23 facility visit within 20 working days of the visit.

24 (c) State Review of County Compliance. – The Division of Health Service Regulation
25 shall conduct and document annual reviews of the county departments of social services'
26 performance. When monitoring is not done timely or there is failure to identify or document
27 noncompliance, the Department may intervene in the particular service in question. Department
28 intervention shall include one or more of the following activities:

- 29 (1) Sending staff of the Department to the county departments of social services
30 to provide technical assistance and to monitor the services being provided by
31 the facility.
32 (2) Advising county personnel as to appropriate policies and procedures.
33 (3) Establishing a plan of action to correct county performance.

34 The Secretary may determine that the Department shall assume the county's regulatory
35 responsibility for the county's adult care homes.

36 **"§ 131D-2.12. Training requirements; county departments of social services.**

37 (a) The county departments of social services' adult home specialists and their
38 supervisors shall complete:

- 39 (1) Eight hours of prebasic training within 60 days of employment;
40 (2) Thirty-two hours of basic training within six months of employment;
41 (3) Twenty-four hours of postbasic training within six months of the basic
42 training program;
43 (4) A minimum of eight hours of complaint investigation training within six
44 months of employment; and
45 (5) A minimum of 16 hours of statewide training annually by the Division of
46 Health Service Regulation.

47 (b) The joint training requirements by the Department shall be as provided in
48 G.S. 143B-139.5B.

49 **"§ 131D-2.13. Departmental duties.**

50 (a) Enforcement of Room Ventilation and Temperature. – The Department shall
51 monitor regularly the enforcement of rules pertaining to air circulation, ventilation, and room

1 temperature in resident living quarters. These rules shall include the requirement that air
2 conditioning or at least one fan per resident bedroom and living and dining areas be provided
3 when the temperature in the main center corridor exceeds 80 degrees Fahrenheit.

4 (b) Administrator Directory. – The Department shall keep an up-to-date directory of all
5 persons who are administrators as defined in G.S. 131D-2.1.

6 (c) Departmental Complaint Hotline. – Adult care homes shall post the Division of
7 Health Service Regulation's complaint hotline number conspicuously in a public place in the
8 facility.

9 (d) Provider File. – The Department of Health and Human Services shall establish and
10 maintain a provider file to record and monitor compliance histories of facilities, owners,
11 operators, and affiliates of nursing homes and adult care homes.

12 (e) Report on Use of Restraint. – The Department shall report annually on October 1 to
13 the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and
14 Substance Abuse Services the following for the immediately preceding fiscal year:

15 (1) The level of compliance of each adult care home with applicable State law
16 and rules governing the use of physical restraint and physical hold of
17 residents. The information shall indicate areas of highest and lowest levels of
18 compliance.

19 (2) The total number of adult care homes that reported deaths under
20 G.S. 131D-34.1, the number of deaths reported by each facility, the number
21 of deaths investigated pursuant to G.S. 131D-34.1, and the number found by
22 the investigation to be related to the adult care home's use of physical
23 restraint or physical hold.

24 **"§ 131D-2.14. Confidentiality.**

25 Notwithstanding G.S. 8-53 or any other law relating to confidentiality of communications
26 between physician and patient, in the course of an inspection conducted under G.S. 131D-2.11:

27 (1) Department representatives may review any writing or other record
28 concerning the admission, discharge, medication, care, medical condition, or
29 history of any person who is or has been a resident of the facility being
30 inspected.

31 (2) Any person involved in giving care or treatment at or through the facility
32 may disclose information to Department representatives unless the resident
33 objects in writing to review of the resident's records or disclosure of such
34 information.

35 (3) The facility, its employees, and any other person interviewed in the course of
36 an inspection shall be immune from liability for damages resulting from
37 disclosure of any information to the Department. The Department shall not
38 disclose:

39 a. Any confidential or privileged information obtained under this
40 section unless the resident or the resident's legal representative
41 authorizes disclosure in writing or unless a court of competent
42 jurisdiction orders disclosure, or

43 b. The name of anyone who has furnished information concerning a
44 facility without that person's consent.

45 The Department shall institute appropriate policies and procedures to
46 ensure that unauthorized disclosure does not occur. All confidential or
47 privileged information obtained under this section and the names of persons
48 providing such information shall be exempt from Chapter 132 of the General
49 Statutes.

50 (4) Notwithstanding any law to the contrary, Chapter 132 of the General
51 Statutes, the Public Records Law, applies to all records of the State Division

1 of Social Services of the Department of Health and Human Services and of
2 any county department of social services regarding inspections of adult care
3 facilities except for information in the records that is confidential or
4 privileged, including medical records, or that contains the names of residents
5 or complainants.

6 **"§ 131D-2.15. Resident assessments.**

7 (a) The Department shall ensure that facilities conduct and complete an assessment of
8 each resident within 72 hours of admitting the resident and annually thereafter. In conducting
9 the assessment, the facility shall use an assessment instrument approved by the Secretary upon
10 the advice of the Director of the Division of Aging and Adult Services. The Department shall
11 provide ongoing training for facility personnel in the use of the approved assessment
12 instrument.

13 The facility shall use the assessment to develop appropriate and comprehensive service
14 plans and care plans and to determine the level and type of facility staff that is needed to meet
15 the needs of residents. The assessment shall determine a resident's level of functioning and
16 shall include, but not be limited to, cognitive status and physical functioning in activities of
17 daily living. Activities of daily living are personal functions essential for the health and
18 well-being of the resident. The assessment shall not serve as the basis for medical care. The
19 assessment shall indicate if the resident requires referral to the resident's physician or other
20 appropriate licensed health care professional or community resource.

21 (b) The Department, as part of its inspection and licensing of adult care homes, shall
22 review assessments and related service plans and care plans for a selected number of residents.
23 In conducting this review, the Department shall determine:

- 24 (1) Whether the appropriate assessment instrument was administered and
25 interpreted correctly;
26 (2) Whether the facility is capable of providing the necessary services;
27 (3) Whether the service plan or care plan conforms to the results of an
28 appropriately administered and interpreted assessment; and
29 (4) Whether the service plans or care plans are being implemented fully and in
30 accordance with an appropriately administered and interpreted assessment.

31 (c) If the Department finds that the facility is not carrying out its assessment
32 responsibilities in accordance with this section, the Department shall notify the facility and
33 require the facility to implement a corrective action plan. The Department shall also notify the
34 resident of the results of its review of the assessment, service plans, and care plans developed
35 for the resident. In addition to administrative penalties, the Secretary may suspend the
36 admission of any new residents to the facility. The suspension shall be for the period
37 determined by the Secretary and shall remain in effect until the Secretary is satisfied that
38 conditions or circumstances merit removing the suspension.

39 **"§ 131D-2.16. Rules.**

40 Except as otherwise provided in this Article, the Medical Care Commission shall adopt
41 rules necessary to carry out this Article. The Commission has the authority, in adopting rules,
42 to specify the limitation of nursing services provided by assisted living residences. In
43 developing rules, the Commission shall consider the need to ensure comparable quality of
44 services provided to residents, whether these services are provided directly by a licensed
45 assisted living provider, licensed home care agency, or hospice. In adult care homes, living
46 arrangements where residents require supervision due to cognitive impairments, rules shall be
47 adopted to ensure that supervision is appropriate and adequate to meet the special needs of
48 these residents. Rule-making authority under this section is in addition to that conferred under
49 G.S. 131D-4.3 and G.S. 131D-4.5.

50 **"§ 131D-2.17. Impact on other laws; severability.**

1 (a) Nothing in this section shall be construed to supersede any federal or State antitrust,
2 antikickback, or safe harbor laws or regulations.

3 (b) If any provisions of this section or the application of it to any person or
4 circumstance is held invalid, the invalidity does not affect other provisions or applications of
5 the section which can be given effect without the invalid provision or application, and to this
6 end the provisions of this section are severable.

7 **"§ 131D-2.18. Application of other laws.**

8 (a) Certification of assisted living administrators shall be as provided under Article 20A
9 of Chapter 90 of the General Statutes.

10 (b) Compliance with the Health Care Personnel Registry shall be as provided under
11 G.S. 131E-256.

12 (c) Rules for the operation of the adult care portion of a combination home, as defined
13 in G.S. 131E-101, shall be as provided in G.S. 131E-104."

14 **SECTION 2.** G.S. 131D-41 and G.S. 131D-42 are repealed.

15 **SECTION 3.(a)** G.S. 131D-2.1(10), as enacted by Section 1 of this act, reads as
16 rewritten:

17 "(10) "Multiunit assisted housing with services." – An assisted living residence in
18 which hands-on personal care services and nursing services which are
19 arranged by housing management are provided by a licensed home care or
20 hospice agency through an individualized written care plan. The housing
21 management has a financial interest or financial affiliation or formal written
22 agreement which makes personal care services accessible and available
23 through at least one licensed home care or hospice agency. The resident has
24 a choice of any provider, and the housing management may not combine
25 charges for housing and personal care services. All residents, or their
26 compensatory agents, must be capable, through informed consent, of
27 entering into a contract and must not be in need of 24-hour supervision.
28 Assistance with self-administration of medications may be provided by
29 appropriately trained staff when delegated by a licensed nurse according to
30 the home care agency's established plan of care. Multiunit assisted housing
31 with services programs are required to register annually with the Division of
32 Health Service Regulation. ~~Regulation and to provide a disclosure statement.~~
33 Multiunit assisted housing with services programs are required to provide a
34 disclosure statement to the Division of Health Service Regulation. The
35 disclosure statement is required to be a part of the annual rental contract that
36 includes a description of the following requirements:

- 37 a. Emergency response system;
- 38 b. Charges for services offered;
- 39 c. Limitations of tenancy;
- 40 d. Limitations of services;
- 41 e. Resident responsibilities;
- 42 f. Financial/legal relationship between housing management and home
43 care or hospice agencies;
- 44 g. A listing of all home care or hospice agencies and other community
45 services in the area;
- 46 h. An appeals process; and
- 47 i. Procedures for required initial and annual resident screening and
48 referrals for services.

49 Continuing care retirement communities, subject to regulation by the
50 Department of Insurance under Chapter 58 of the General Statutes, are

1 exempt from the regulatory requirements for multiunit assisted housing with
2 services programs."

3 **SECTION 3.(b)** G.S. 131D-2.5, as enacted by Section 1 of this act, reads as
4 rewritten:

5 "**§ 131D-2.5. License and registration fees.**

6 (a) The Department shall charge each adult care home with six or fewer beds a
7 nonrefundable annual license fee in the amount of two hundred fifty dollars (\$250.00). The
8 Department shall charge each adult care home with more than six beds a nonrefundable annual
9 license fee in the amount of three hundred fifty dollars (\$350.00) plus a nonrefundable annual
10 per-bed fee of twelve dollars and fifty cents (\$12.50).

11 (b) The Department shall charge each registered multiunit assisted housing with
12 services program a nonrefundable annual registration fee of three hundred fifty dollars
13 (\$350.00). Any individual or corporation that establishes, conducts, manages, or operates a
14 multiunit housing with services program, subject to registration under this section, that fails to
15 register is guilty of a Class 3 misdemeanor and, upon conviction shall be punishable only by a
16 fine of not more than fifty dollars (\$50.00) for the first offense and not more than five hundred
17 dollars (\$500.00) for each subsequent offense. Each day of a continuing violation after
18 conviction shall be considered a separate offense."

19 **SECTION 3.(c)** S.L. 2008-166 is repealed.

20 **SECTION 4.(a)** G.S. 58-55-35(a) reads as rewritten:

21 "(a) Whenever long-term care insurance provides coverage for the facilities, services, or
22 physical or mental conditions listed below, unless otherwise defined in the policy and
23 certificate, and approved by the Commissioner, such facilities, services, or conditions are
24 defined as follows:

25 (1) "Adult care home" shall be defined in accordance with the terms of
26 ~~G.S. 131D-2(1b)~~G.S. 131D-2.1(3).

27 ...

28 (5) "Family care home" shall be defined in accordance with the terms of
29 ~~G.S. 131D-2(a)(5)~~G.S. 131D-2.1(9).

30"

31 **SECTION 4.(b)** G.S. 90-288.12(b)(2) reads as rewritten:

32 "(2) Family care homes as defined in ~~G.S. 131D-2(a)(5)~~G.S. 131D-2.1(9)."

33 **SECTION 4.(c)** G.S. 90-288.13(3) reads as rewritten:

34 "(3) Assisted living residence. – A facility defined in
35 ~~G.S. 131D-2(a)(1d)~~G.S. 131D-2.1(5), whether proprietary or nonprofit. The
36 term also includes institutions or facilities that are owned or administered by
37 the federal or State government or any agency or political subdivision of the
38 State government."

39 **SECTION 4.(d)** G.S. 90-288.19 reads as rewritten:

40 "**§ 90-288.19. Reporting requirement.**

41 The holder of a facility license issued ~~pursuant to G.S. 131D-2~~ under G.S. 131D-2.4 shall
42 report any incidents of suspected abuse, neglect, or exploitation of persons residing in an
43 assisted living residence by a person certified under this Article to the Health Care Personnel
44 Registry."

45 **SECTION 4.(e)** G.S. 113-351(c)(4) reads as rewritten:

46 "(4) Lifetime Unified Inland/Coastal Recreational Fishing Licenses. – Except as
47 provided in sub-subdivisions b. and c. of this subdivision, a license issued
48 under this subdivision is valid for the lifetime of the licensee. A license
49 issued under this subdivision authorizes the licensee to fish with hook and
50 line for all fish in all inland fishing waters and joint fishing waters, including

1 public mountain trout waters, and to engage in recreational fishing in coastal
2 fishing waters.

3 ...

4 c. Resident Adult Care Home Lifetime Unified Inland/Coastal
5 Recreational Fishing License. – No charge. This license shall be
6 issued only to an individual who is a resident of the State and who
7 resides in an adult care home as defined in
8 ~~G.S. 131D-2(a)(1b)~~ G.S. 131D-2.1 or G.S. 131E-101(1). This license
9 remains valid for the lifetime of the licensee so long as the licensee
10 remains a resident of an adult care home."

11 **SECTION 4.(f)** G.S. 131D-4.6(c) reads as rewritten:

12 "(c) An adult care home that holds itself out to the public as providing a special care unit
13 without being licensed as a special care unit is subject to licensure actions and penalties
14 provided under ~~G.S. 131D-2(b)~~, Part 1 of this Article, as well as any other action permitted by
15 law."

16 **SECTION 4.(g)** G.S. 131D-19 reads as rewritten:

17 **"§ 131D-19. Legislative intent.**

18 It is the intent of the General Assembly to promote the interests and well-being of the
19 residents in adult care homes and assisted living residences licensed pursuant to
20 ~~G.S. 131D-2~~ Part 1 of this Article. It is the intent of the General Assembly that every resident's
21 civil and religious liberties, including the right to independent personal decisions and
22 knowledge of available choices, shall not be infringed and that the facility shall encourage and
23 assist the resident in the fullest possible exercise of these rights. It is the intent of the General
24 Assembly that rules developed by the Social Services Commission to implement Article 1 and
25 Article 3 of Chapter 131D of the General Statutes encourage every resident's quality of life,
26 autonomy, privacy, independence, respect, and dignity and provide the following:

27"

28 **SECTION 4.(h)** G.S. 131D-20(4) reads as rewritten:

29 "(4) "Facility" means an adult care home licensed ~~pursuant to G.S. 131D-2~~ under
30 G.S. 131D-2.4."

31 **SECTION 4.(i)** G.S. 131D-29 reads as rewritten:

32 **"§ 131D-29. Revocation of license.**

33 The Department of Health and Human Services shall have the authority to revoke a license
34 issued ~~pursuant to G.S. 131D-2~~ under G.S. 131D-2.4 in any case where it finds that there has
35 been a substantial failure to comply with the provisions of this Article.

36 Such revocation shall be effected by mailing to the licensee by registered or certified mail,
37 or by personal service of, a notice setting forth the particular reasons for such action. Such
38 revocation shall become effective 20 days after the mailing or service of the notice, unless the
39 applicant or licensee, within such 20-day period, shall give written notice to the Department of
40 Health and Human Services requesting a hearing, in which case the notice shall be deemed to
41 be suspended. If a hearing has been requested, the licensee shall be given a prompt and fair
42 hearing pursuant to the Administrative Procedure Act. At any time at or prior to the hearing, the
43 Department of Health and Human Services may rescind the notice of revocation upon being
44 satisfied that the reasons for the revocation have been or will be removed."

45 **SECTION 4.(j)** G.S. 131E-76(3) reads as rewritten:

46 "(3) "Hospital" means any facility which has an organized medical staff and
47 which is designed, used, and operated to provide health care, diagnostic and
48 therapeutic services, and continuous nursing care primarily to inpatients
49 where such care and services are rendered under the supervision and
50 direction of physicians licensed under Chapter 90 of the General Statutes,
51 Article 1, to two or more persons over a period in excess of 24 hours. The

1 term includes facilities for the diagnosis and treatment of disorders within
2 the scope of specific health specialties. The term does not include private
3 mental facilities licensed under Article 2 of Chapter 122C of the General
4 Statutes, nursing homes licensed under G.S. 131E-102, and adult care homes
5 licensed under ~~G.S. 131D-2~~ Part 1 of Article 1 of Chapter 131D of the
6 General Statutes."

7 **SECTION 4.(k)** G.S. 131E-176(1) reads as rewritten:

8 "(1) "Adult care home" means a facility with seven or more beds licensed under
9 ~~G.S. 131D-2~~ Part 1 of Article 1 of Chapter 131D of the General Statutes or
10 Chapter 131E of the General Statutes that provides residential care for aged
11 or disabled persons whose principal need is a home which provides the
12 supervision and personal care appropriate to their age and disability and for
13 whom medical care is only occasional or incidental."

14 **SECTION 4.(l)** G.S. 131E-231 reads as rewritten:

15 **"§ 131E-231. Definitions.**

16 As used in this Article, unless otherwise specified:

- 17 (1) "Long-term care facility" means a nursing home as defined in
18 G.S. 131E-101(6) and an adult care home as defined in
19 ~~G.S. 131D-2(a)(1b)~~ G.S. 131D-2.1(3) or G.S. 131E-101(4).
20 (2) "Resident" means a person who has been admitted to a long-term care
21 facility.
22 (3) "Respondent" means the person or entity holding a license pursuant to
23 G.S. 131E-102 or ~~G.S. 131D-2~~ G.S. 131D-2.4 or a person or entity operating
24 a long-term care facility subject to licensure without a license."

25 **SECTION 4.(m)** G.S. 131E-256(b) reads as rewritten:

26 "(b) For the purpose of this section, the following are considered to be "health care
27 facilities":

- 28 (1) Adult Care Homes as defined in ~~G.S. 131D-2~~ G.S. 131D-2.1.
29 (2) Hospitals as defined in G.S. 131E-76.
30 (3) Home Care Agencies as defined in G.S. 131E-136.
31 (4) Nursing Pools as defined by G.S. 131E-154.2.
32 (5) Hospices as defined by G.S. 131E-201.
33 (6) Nursing Facilities as defined by G.S. 131E-255.
34 (7) State-Operated Facilities as defined in G.S. 122C-3(14)f.
35 (8) Residential Facilities as defined in G.S. 122C-3(14)e.
36 (9) 24-Hour Facilities as defined in G.S. 122C-3(14)g.
37 (10) Licensable Facilities as defined in G.S. 122C-3(14)b.
38 (11) Multiunit Assisted Housing with Services as defined in
39 ~~G.S. 131D-2~~ G.S. 131D-2.1."

40 **SECTION 4.(n)** G.S. 143B-181.21 reads as rewritten:

41 "(b) Complaints or conditions adversely affecting residents of long-term care facilities
42 that cannot be resolved in the manner described in subsection (a) of this section shall be
43 referred by the State or Regional Ombudsman to the appropriate licensure agency pursuant to
44 G.S. 131E-100 through 110 and ~~G.S. 131D-2~~ Part 1 of Article 1 of Chapter 131D of the General
45 Statutes."

46 **SECTION 5.** Section 3 of this act becomes effective January 1, 2010, and the
47 remainder of this act becomes effective October 1, 2009. Licenses issued pursuant to
48 G.S. 131D-2 remain effective until the date of annual renewal at which time Part 1 of Article 1
49 of Chapter 131D of the General Statutes shall apply. In all other respects, beginning October 1,
50 2009, Part 1 of Article 1 of Chapter 131D shall apply to the operation of facilities currently
51 licensed under G.S. 131D-2.