

**The Study of The North Carolina Star Rated Certificate Program
For Adult Care Homes**

Session Law 2017-184, Section 6.(a-b)



Report to

**Joint Legislative Oversight Committee on
Health and Human Services**

and

The Fiscal Research Division

by

North Carolina Department of Health and Human Services

September 28, 2018

TABLE OF CONTENTS

Response to Legislative Request.....	3
Background Summary.....	3
Findings	5
Summary.....	14
APPENDIX A – § 131D-10. Adult care home rated certificates.....	16
APPENDIX B – 10A NCAC 13F .1600 Rated Certificates.....	17
APPENDIX C – 10A NCAC 13G .1600 Rated Certificates.....	20
APPENDIX D – How the N.C. Star Rating Program Works.....	23

Response to Legislative Request

This report is in response to the General Assembly's provision included in House Bill 657, S.L. 2017-184, which reads:

SECTION 6.(a) The Department of Health and Human Services shall conduct a study of the North Carolina Star Rated Certificate Program. The study shall (i) evaluate the effectiveness of the program in providing information to consumers of adult care home services, (ii) examine potential evidence-based alternatives, and (iii) make recommendations for any regulatory or legislative changes that could result in improvement of the current system.

SECTION 6.(b) By February 1, 2018, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the progress of the study. By October 1, 2018, the Department shall conclude the study and report its findings and recommendations, including any recommendations for regulatory or legislative changes, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

Background Summary

There are two types of licensed adult care facilities in North Carolina, commonly known as "Assisted Living." They are differentiated by their size. Family care homes are small, residential facilities licensed to serve two to six residents. Adult care homes are licensed to serve seven or more residents. The smallest adult care home in North Carolina is 12 beds, and the largest is over 200 beds. There are approximately 1200 facilities, 600 family care homes and 600 adult care homes, licensed in North Carolina. Under either of these types, the facility can be designated to serve only those with a diagnosis of dementia or the elderly - the latter being defined under statute as serving individuals 55 years or older. Additionally, adult care homes can choose to license all or part of their facility as a special care unit to serve those with Alzheimer's disease or other types of dementia. Both adult care homes and family care homes undergo the same inspection processes and both are subject to the Star Rated Certificate program.

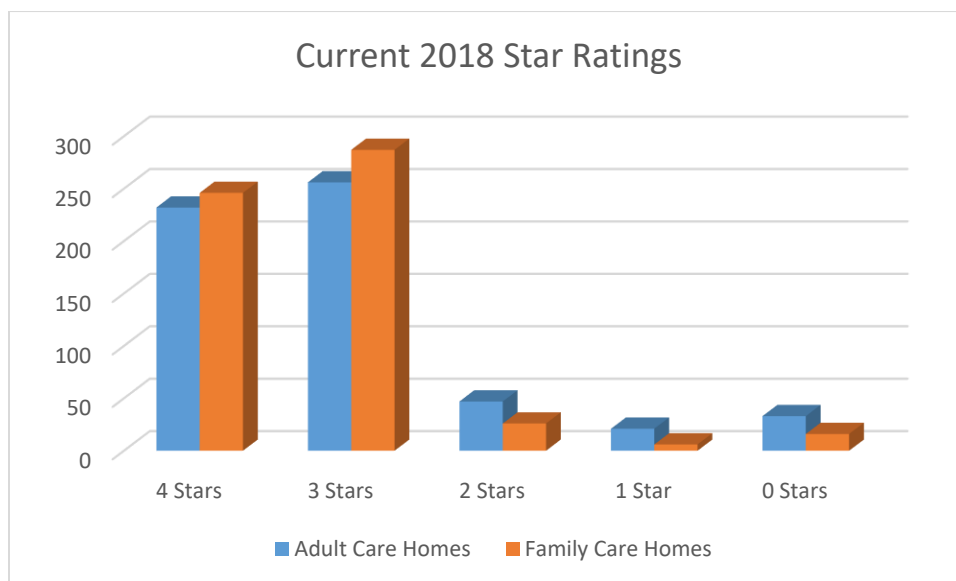
Adult care homes and family care homes are licensed and inspected by the Adult Care Licensure Section (ACLS) and the Construction Section within the Division of Health Service Regulation (DHSR). The local County Departments of Social Services are also responsible for regular monitoring and conducting complaint investigations in these facilities.

The North Carolina Star Rated Certificate Program was created as a tool to provide consumers with meaningful, easily accessible information about the care and services provided in the state's adult care home and family care home facilities. The enabling legislation, Senate Bill 56, S.L. 2007-544 Section 3.(a), required the North Carolina Medical Care Commission to adopt rules for the issuance of rated certificates to adult care homes. And Section 3.(b) of the law contained minimal requirements and other criteria on which the rated certificates would be based. After discussion and input from stakeholders in the provider and advocacy communities, the rules for the rated certificate program for adult care homes and family care homes were adopted by the Medical Care Commission on February 8, 2008. The rules for the rating system were passed by the NC General Assembly on July 3, 2008. For reference, the rules governing the rated certificate program for adult care homes can be found in the administrative code at 10A NCAC 13F .1601-.1605, and for family care homes are 10A NCAC 13G .1601-.1605.

The rules for the star rating program are based on “fundamental rule areas” that are inspected on an annual basis by DHSR (as of 2011, biennial for 4-star facilities). Those areas and their associated rules and/or statute which comprise the standards that contribute to rated certificates are:

- Residents’ Rights, [G.S. 131D-21](#)
- Physical Plant Requirements, [10A NCAC 13F.0300](#), [13G .0300](#)
- Admission and Discharge, [10A NCAC 13F .0700](#), [13G .0700](#)
- Resident Assessment and Care Plan, [10A NCAC 13F .0800](#), [13G .0800](#)
- Resident Care and Services, [10A NCAC 13F .0900](#), [13G .0900](#)
- Medication Administration Policies and Procedures, [10A NCAC 13F .1000](#), [13G .1000](#)
- Special Care Units for Alzheimer and Related Disorders, [10A NCAC 13F .1300](#)
- Special Care Units for Mental Health Disorders, [10A NCAC 13F .1400](#)
- Use of Physical Restraints and Alternatives, [10A NCAC 13F .1500](#), [13G .1300](#)

The North Carolina Star Rated Certificate program was implemented across the state on January 1, 2009, and is administered by the Division of Health Service Regulation, Adult Care Licensure Section. To date, approximately 9,500 star ratings have been issued. The graph below illustrates the distribution of current star ratings for adult care homes and family care homes.



For a more detailed summary of how the N.C. Star Rating Program works, please refer to Appendix D.

Findings: Study of the N.C. Star Rated Certificate Program pursuant to S.L. 2017-184

Section 6.(a) of Session Law 2017-184 (House Bill 657) requires the Department of Health and Human Services to conduct a study of the North Carolina Star Rated Certificate Program. The study shall:

1. Evaluate the effectiveness of the program in providing information to consumers of adult care home services;
2. Examine potential evidence-based alternatives; and
3. Make recommendations for any regulatory or legislative changes that could result in improvement of the current system.

By October 1, 2018, the Department shall conclude the study and report its findings and recommendations, including any recommendations for regulatory or legislative changes, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The study was facilitated by the DHSR Adult Care Licensure Section.

Workgroup Members:

Scott Ashley - Star Rating Administrator – Division of Health Service Regulation Adult Care Licensure
Doug Barrick - Policy Coordinator – Division of Health Service Regulation, Adult Care Licensure
Tore Borhaug – Owner - Tore’s Homes-Family Care Home Representative
Charmaine Fuller-Cooper - Associate State Director-Advocacy - AARP North Carolina
Ken Edminster - Housing Administrator - Division of Mental Health/Developmental Disability/Substance Abuse Services
Angela Ellis – Director, Greene County Department of Social Services–NC County DSS Director’s Association
Charlotte Gibbons – Special Assistance Program Administrator - Division of Aging & Adult Services
Tichina Hamer – Director of Programs – Division of Health Service Regulation Adult Care Licensure
Jeff Horton - Executive Director - North Carolina Senior Living Association
William Lamb – Executive Director - Friends of Residents in Long Term Care
Megan Lamphere – Chief – Division of Health Service Regulation, Adult Care Licensure
Sabrena Lea - Associate Director, Long Term Services & Supports – NC Medicaid
Steven Lewis – Chief – Division of Health Service Regulation, Construction Section
Frances Messer – President & CEO - North Carolina Assisted Living Association
Victor Orija - State LTC Ombudsman - Division of Aging & Adult Services
Shannon Spence - Personal Care Services Unit Manager – NC Medicaid

Evaluate the effectiveness of the program in providing information to consumers of adult care home services

The workgroup, which consisted of a cross-segment of various users of the rating system, examined the various “pros and cons” of the current rating system. Feedback was based on personal experiences, as well as reports from consumers and colleagues who had first-hand knowledge of the program.

There were several positive aspects of the star rating program, or “pros,” identified by the workgroup. These included:

- The rating system is consistent in showing whether facilities are meeting minimum rule requirements.
- The concept of stars is simple and easy to understand for all types of consumers.
- The ratings are based on objective measures.
- The rating system promotes transparency.
- The rating system provides information to consumers and is visible, easy to find.
- The rating system shows a facility's rating history so consumers can see if a facility has continued to have a good rating over a long period of time.

There were also several challenges or weaknesses of the star rating program, or “cons,” identified by the workgroup. These included:

- The rating system is not an indicator of quality care. The system is almost solely based on regulatory compliance and enforcement actions, and is not based on quality measures that assess the quality of care and services provided in a facility.
- Components of the rating system need to be updated to reflect changes in statutes and rules.
- Rating calculations and procedures are complex and difficult to decipher.
- The rating system does not include consumer input.
- Facility ratings can be difficult to understand by a consumer if they aren't familiar with the licensing “jargon” or industry language.
- The ratings do not distinguish between facilities that have a history of care and safety issues versus a facility that had an uncontrolled, one-time adverse event that impacted resident safety.
- Ratings are only issued at biennial or annual survey, unless other types of investigations are needed, resulting in ratings that may not reflect the current status of the facility.
- There is a time lag between when an inspection occurs and when a rating is issued to allow a provider the opportunity to dispute findings of the inspection.
- It is difficult to compare facilities as the majority fall into the top two rating tiers (3 and 4 stars). This could also lead to consumers misunderstanding what a higher rating means and how stars are used in facility marketing to imply more than regulatory compliance.
- Some of the opportunities for merit points are more difficult for a family care home to achieve than for an adult care home.
- Current rating system does not incentivize providers.
- The rating system is perceived as being unfair to providers who accept Medicaid/Special Assistance funding that may not have the resources to obtain extra merit points.
- Facility ratings are being used for purposes other than intended (for consumers) and are being used by financial institutions to evaluate risks in lending.
- The system does not provide enough incentive for facilities to obtain generators and automatic sprinkler systems, which are costly.
- The system does not fairly penalize a facility and does not give enough credit for correction of problems.
- The system is perceived as “punitive” instead of providing incentive for facilities to improve care and services. For instance, one serious incident at a facility can downgrade a facility's rating for a long period of time, which may not reflect the overall level of care and services at the facility.
- The effect of a “bad” star rating is detrimental to a facility's reputation in their community, not only having an impact on the number of admissions which effects the facility's operating budget,

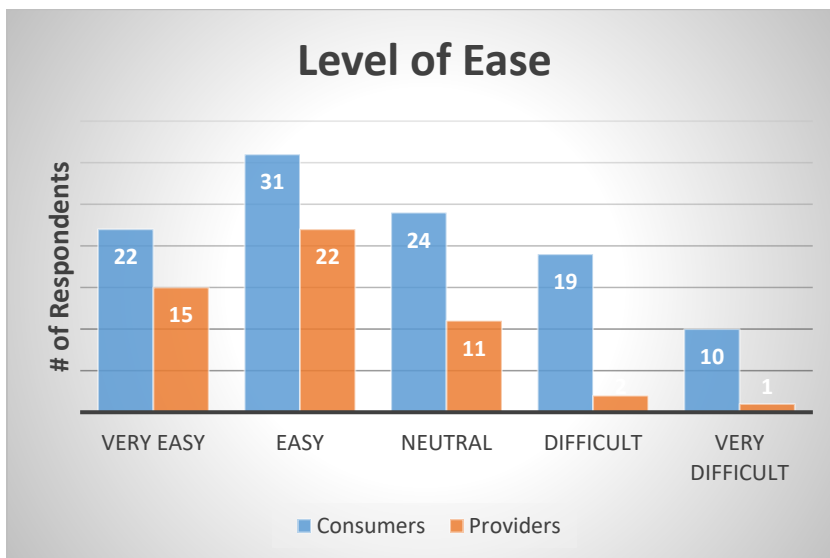
but may also impact the desire of individuals to seek employment at the facility. This compounds the increasingly difficult challenge for providers to recruit, hire, and retain qualified staff.

Consumer survey

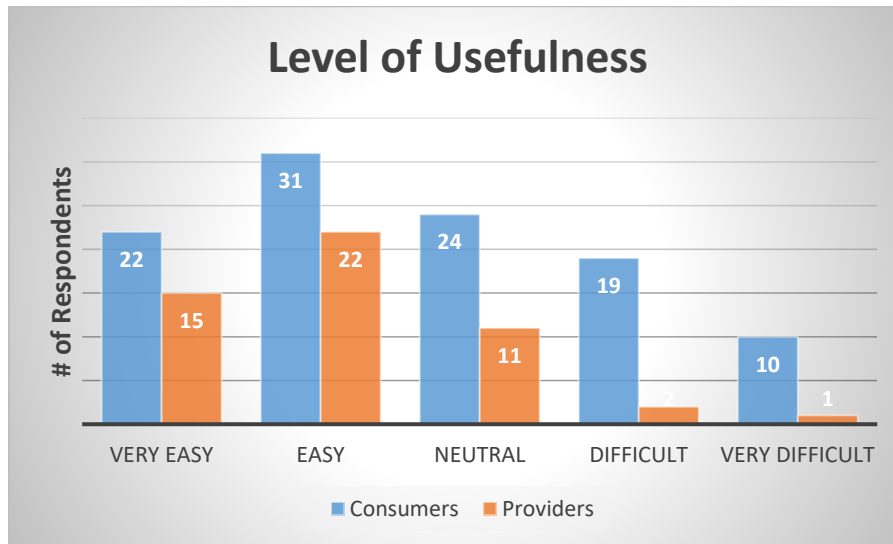
The workgroup developed a six-question consumer survey designed to assess the effectiveness of the current rating system and consumers' information needs when looking for assisted living options. When an individual reached the rating search page, they would be prompted by a "pop up" message, requesting their participation in a brief survey.

The questionnaire was posted on the DHSR ACLS Star Rating webpage from March 21, 2018 through July 30, 2018 and had a total of 196 respondents representative of 50 counties across the state. NOTE: Not all respondents answered every survey question.

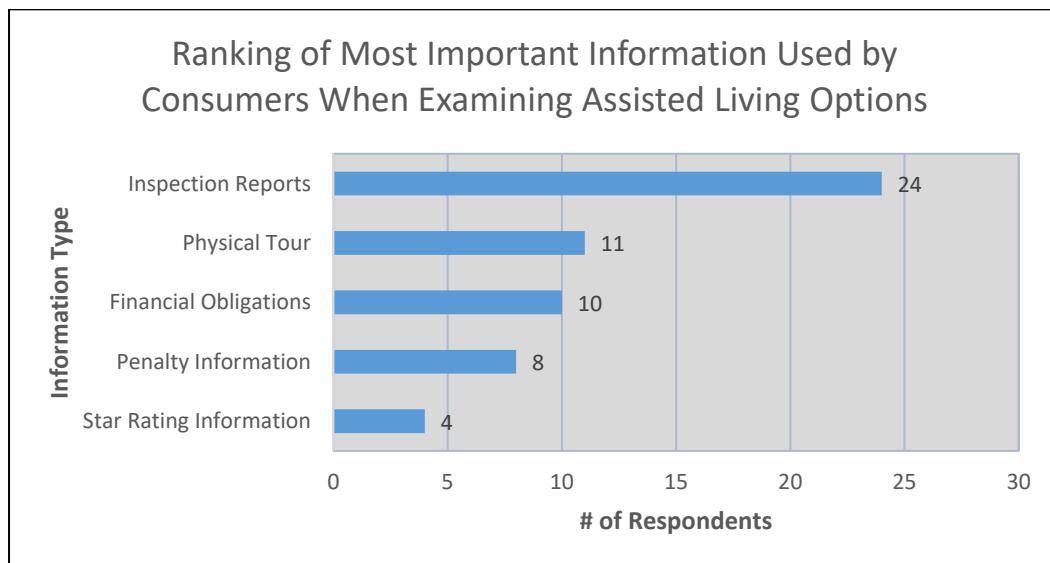
1. *Is it easy to find star rating information on the website?*



2. Is the information on the star rating website useful in your search for an ACH?



3. In ranking the importance, on a scale of 1 to 5, with 1 being the least important and 5 being the most important, a respondent places on each of the following topics when examining their options and needs, the average response was as follows:



(Note: Only responses that completed the ranking from 1-5 are used in this graph.)

4. What additional information should be added to the website to assist you in your search for an assisted living facility?

This question allowed users the opportunity to provide comment in a text field. The answers were categorized into two groups; information that consumers would like to have available on a website

related to a licensed facility, and; information that consumers would like to have available on a website related to inspections and regulatory information for licensed facilities. Below are the suggestions of the respondents.

Information Related to the Facility:

- Staffing ratio information (including types of staff such as whether facility employs nurse aides, nurses, etc.)
- Physical photos of the facility
- Demographics of the resident population served
- Family/Resident satisfaction survey scores
- Funding sources accepted (private pay, State/County Special Assistance, Veteran's benefits, etc.)
- Services and amenities offered
- Number of available beds
- Length of time facility has been licensed
- Current management of facility and how often administrator is on-site
- Cost of care, including any ancillary charges
- Number of complaints
- Sanitation grades
- Employee turnover information

Information Related to Regulatory and Inspection Matters:

- Quicker posting of inspection reports
- Posting of enforcement actions
- Easier way to understand when facilities have corrected violations
- Clearer and easier to understand penalty information
- Posting of County DSS Corrective Action Reports
- Posting of County DSS Monitoring Reports
- Include information from family member complaints to the Ombudsman in the survey process

Examine potential evidence-based alternatives

North Carolina is currently the only state that has a rating system for assisted living facilities. In prior years, only one other state had a formal program for rating assisted living facilities. Alabama's "stoplight" rating system used the colors of a traffic stoplight- red, yellow, and green- along with a numerical score, to symbolize a facility's level of compliance with regulatory requirements. The program was based solely on state survey inspection results. After seven years, the program was discontinued by the state amid concerns from providers that the stoplight system did not accurately reflect a facility's compliance. Since then, Alabama (like many other states examined by the workgroup) has focused efforts on developing a more transparent agency website to assist consumers in making informed choices. The websites of other states focus on posting regulatory compliance information such as inspection reports, enforcement actions, and penalties, and some websites go a bit further to

include photos of the facilities, information on staffing and management of the facilities, resident and family satisfaction surveys, and demographic information on the resident population served.

In the absence of any other evidence-based rating systems specific to assisted living, the workgroup examined a few other types of rating systems for other types of “care and services” that are designed to assist consumers in making informed choices. The rating systems examined are discussed in greater detail below.

Five-Star Quality Rating System for Nursing Homes

<https://www.medicare.gov/nursinghomecompare/search.html>

The Five-Star Quality Rating System is managed by the US Centers for Medicare & Medicaid Services (CMS) which is a federal government website. This system provides a star rating for each certified nursing home in the country, and includes a set of quality ratings for each nursing home that participates in Medicare or Medicaid. An overall quality rating of 1 to 5 stars is given based on facility performance for three types of measures, each of which has its own five-star rating. The three types of measures are health inspections, staffing, and quality measures. The quality measures include measures based on clinical resident assessments as well as hospital and emergency department claims information.

The website provides information including most recent health inspections along with number of citations, level of harm, and number of residents affected. Health inspections, complaint investigation, fire safety inspections and penalty information is also posted on the website. A customer can compare facilities side-by-side to facilitate their decision-making, and a map is provided showing the physical location of the facility.

The CMS Five-Star Rating system is data-driven and relies heavily on assessment data reported by clinical staff in the facilities through the federal database used for Medicare and Medicaid reimbursement, as well as self-reported data such as staffing levels.

In North Carolina, a central repository or database for information on the needs and care of residents in assisted living facilities does not exist. Although there is a great deal of ongoing research in this area underway, there are no universally recognized quality measures for care and services in assisted living. This is likely due to the variations in the extent of care allowed by various states and the varying regulatory requirements of each state related to assisted living, as well as the less acute medical needs of the resident populations in many cases. The lack of quality measures and available and reliable data would eliminate a system like this an option at this time.

North Carolina Star Rated License Program for Childcare Centers

<https://ncchildcare.ncdhhs.gov/Services/Licensing/Star-Rated-License>

The Star Rated License program for childcare facilities licensed is administered by the N.C. Department of Health and Human Services, Division of Child Development and Early Education (DCDEE).

The Star Rated License program for childcare facilities provides up to five stars on the license for eligible child care centers and family child care homes. Facilities that are interested in a star rating must have a 75% or higher compliance history. A facility earns stars based on two components: staff education and program standards. A rating of one star means that a childcare program meets the minimum licensing standards; however, a facility can voluntarily meet higher standards by applying for a two-to-five star rated license. If a facility is applying for the two or more points in program standards they must request to have an environment rating scale completed and score a 4.0 or higher. Staff education is reviewed to determine point levels. Up to seven points can be earned in Program Standards and Education, totaling fourteen points. One additional quality point can be earned, by meeting additional education and programmatic options. This two component system was adopted in 2005, and was fully implemented by January 2008. Prior to that change, DCDEE had a three component rated license where facilities earned up to five points in program standards, five points in education, and five points if their compliance history was 80% or above.

Information on points earned in the various areas of program standards, as well as the overall rating, is accessible to parents and others seeking childcare on DCDEE's website. The site also contains demographic information about the center and information on recent enforcement actions.

Through federal child care block grants and other funding, the DCDEE was able to hire additional staff to implement the program and provide consultation and evaluation of each program annually. These same types of funds also cover the costs for DCDEE to contract with UNC-Greensboro and the NC Rated License Assessment Project to conduct an Environmental Rating Scale at each center once every three years at no cost to the center, while allowing centers to receive more frequent assessments if they are willing to bear the cost.

Additionally, child care centers that earn at least three stars can participate in a child care subsidy program to help offset the costs of providing care and implementing additional measures to improve their program.

The Star Rated License Program for child care was an appealing program to the star rating workgroup, however, the grants and other types of funding to help support both the adult care facilities as well as the state agency that administers the program, currently don't exist.

Choose Well San Diego

<https://choosewellsandiego.org/>

San Diego County, California - through its efforts to be an "aging friendly community" - contracted with a non-profit advocacy organization to develop and maintain an assisted living rating and information website called, "Choose Well." Facilities earn a score of 100 or less based on 11 quality measures that rely heavily on state inspection reports, enforcement actions, and penalties. Citations of non-compliance with regulations by state surveyors are weighted, giving the most weight to those areas that have a more significant impact on a resident's health or safety, such as medical services and medication assistance. An overall score is calculated and posted to the Choose Well website. Facility details including pricing, staffing numbers, facility amenities, and other services provided are listed. Users are able to choose several facilities at a time and compare their scores and other information.

At one time, North Carolina had a website that included similar components, but it did not include scoring of facilities. Instead of separately scoring facilities, the site linked back to the DHSR ACLS Star Rating webpage. This website was called *Assisted Living Comparison Experts Program (ALCE)* and was created and maintained by health services researchers from the University of North Carolina at Chapel Hill. It was founded by Sheryl Zimmerman, PhD and Philip Sloane, MD, MPH, national leaders in assisted living research.

ALCE includes information about all assisted living facilities, not just those that pay to be listed or those that volunteered. The information was compiled from state records, as well as information obtained directly from assisted living providers by UNC staff. The site also included reviews posted by people who had first-hand knowledge of different facilities. And the website explained why this information is important, and allowed users to search and compare facilities based on this information. In this way, users were able to identify the facilities they wish to visit based on their individualized needs and wants.

The site links to star rating information from the ACLS website and includes additional facility-specific information such as staffing, accepted payment sources, residence options, and dementia care. The facility-specific information was self-reported by the facilities. Due to lack of funding, the website has not been updated since 2014.

Link: <http://alce.unc.edu/>

Sheryl Zimmerman is Distinguished Professor, Associate Dean, and Director of Aging Research, at the School of Social Work, and Co-Director of the Program on Aging, Disability, and Long-Term Care, at the Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill. Philip Sloane is Distinguished Professor and Director of Academic Development, Department of Family Medicine, and Co-Director of the Program on Aging, Disability, and Long-Term Care, Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill.

Both the Choose Well San Diego program and the Assisted Living Comparison Experts website were attractive options to the star rating workgroup, particularly due to the transparency of information that each program offered and the ability for one to truly individualize their search and compare facilities based on their needs. However, again, substantial funding was provided for both programs to create the program as well as maintain it and keep the information current. At this time there is no funding to create this resource or contract with another entity to create and or maintain it.

Make recommendations for any regulatory or legislative changes that could result in improvement of the current system.

The review NC's Star Rated Certificate Program has proven to be a complicated task. While workgroup members agreed that it is important for consumers to have current, reliable information to assist them in making choices about assisted living facilities, and the group also concurred that the current star rating system has several areas where it can be improved to better serve the consumers who rely on this information and the providers who are being rated. The workgroup acknowledged that any rating system, and any enhancements or improvements to it, is constrained by a number of factors, including:

- lack of data about the quality of care and services provided in assisted living facilities;

- lack of nationally recognized quality measures that fit the various types of assisted living facilities and the individuals they serve;
- absence of evidence-based best practices and alternative rating systems for assisted living;
- untimeliness of rating information due to delays associated with allowing time for providers to contest the findings;
- challenges of recruiting and retaining qualified staff for both providers and regulatory agencies; limitations of existing technology resources; and
- funding limitations.

And, the workgroup noted that any modification to the current system would require statutory changes as well significant rule amendments.

Although the workgroup agreed that the current rating system is inadequate and, in some ways unfair to providers, they concurred that a rating system (or some other program to increase transparency of information and allow consumers to research and compare facilities) is valuable. They further agreed that with continued evaluation and improvement, North Carolina's existing rating system could provide greater benefit to consumers, improve the quality of care in facilities, and be fair and achievable for providers.

Demonstrating their commitment to this belief, some of the workgroup members presented new and interesting ideas as alternatives to the current the system. Friends of Residents in Long Term Care (FORLTC) - the primary consumer advocacy group for residents of assisted living in North Carolina - proposed revisions to the four-star rating system that focus on a performance measurement model that would enable consumers to differentiate between the rating tiers and compare facilities. The model, much like the CMS Nursing Home Compare model, allocates points to facilities' rating score based on achievement of various criteria which are then weighted and calculated using a proven algorithm. Facilities would then be "ranked" in percentiles, allowing each facility's scores to be compared with other facilities. FORLTC also proposed separate systems for ranking adult care homes and family care homes, and added many opportunities for facilities to earn merit and demerit points for criteria in categories like Staffing, Fire Safety and Building Standards, Regulatory Compliance, and Quality of Care and Quality of Life Measures. While the workgroup was interested in additional opportunities for facilities to achieve merit points and improve quality of care, as well as the ability of consumers to compare facilities, the group shared concerns about how the additional data would be gathered and verified. And the workgroup also considered the current technology limitations that would be a barrier to implementing such a program.

A second model was proposed by the North Carolina Senior Living Association and North Carolina Assisted Living Association - the two primary assisted living provider organizations in the state. Their suggested model would introduce the idea of using consumer satisfaction surveys in conjunction with regulatory compliance to achieve a rating score. In this model, 50% of a facility's star rating would be comprised of resident and family satisfaction surveys, and 50% of the rating would be based on regulatory inspection results. The resident and family satisfaction surveys would be administered by a contracted third-party vendor not associated with the provider, and it would be the responsibility of the provider to obtain and purchase this service. In addition, to maintain integrity and validity, survey participants would be randomly selected by the vendor and results would be transmitted directly to the

Department, not through the facility. One benefit of this model is that there would be little-to-no fiscal impact to the state. That's because facilities choosing to participate in the resident and family satisfaction surveys would have to pay the vendor for the service as opposed to the state. Conversely, and depending on the cost of the survey, it could prove to be too costly for many providers to obtain this service. Additionally, while the workgroup overall supported the use of resident and family satisfaction surveys as part of a facility rating, they also expressed concern that there is no validated instrument to measure consumer satisfaction in assisted living, as well as concerns about the ability of providers to manipulate survey results.

When considering recommending changes to the current star rating system, one significant challenge is the current database used by DHSR to calculate, store, and post star rating information to the website. The current star rating system relies on results of facility inspections and information gathered by state surveys during those inspections related to opportunities for extra merit points. In the current system, the survey results and additional information are manually entered into the ACLS database known as the Long-Term Care Initiative, or LTI. The LTI database calculates the star rating score and generates a star rating worksheet depicting how the points were assigned, and a certificate showing the score and the number of stars earned. The worksheet and certificate are mailed to the facility. The worksheet and star rating score information, along with the inspection reports, are also posted on the DHSR ACLS website.

LTI is a dated legacy database system that is no longer supported by the software vendor. As a result, the Division of Health Service Regulation is currently working on the Enterprise Project, a new database system that will replace all legacy databases used by the Division for licensing health care facilities, including LTI. This is a three year project. The Star Rating Program is part of the final development stage of this project, with an estimated completion date of 2021. Making changes to the current rating system while in the midst of transitioning platforms may be challenging, however, the fact that a new system is being implemented might provide a unique opportunity for making changes to the rating program in the near future. Innovative adaptation of the new information system might facilitate collecting and recording the kind of information that would be well-suited to inform a new rating system or other type of consumer information site.

In short, the workgroup was not able to identify any one, clear solution to the problem examined, based on the factors listed above. But despite those challenges, the workgroup met frequently and had in-depth discussion and evaluation of the current star rating system, existing evidence-based alternatives, and considered numerous ways to improve not just the rating system, but how North Carolina can better serve consumers of assisted living care.

Summary

In light of the challenges highlighted in this report related to the current star rating program, the workgroup recommends the following action items to further explore viable alternatives and options for increasing transparency of information for consumers and incentivizing adult care facilities to improving the quality of care and services in assisted living.

1. The workgroup recommends that the Department further evaluate the specific needs of consumers when shopping for assisted living facilities. It is important to know what information is useful to consumers, and what format consumers are most easily able to navigate. This evaluation should also include how consumers feel about the use of a rating system or other ways to rank and/or compare facilities that would be important to them.
2. The workgroup recommends that the Department explore opportunities to improve transparency and timeliness of information related to assisted living facilities through technology, including enhancing inspection information and enforcement actions provided on its website. As evidenced by the recent consumer survey, there are multiple types of information that consumers are interested in having improved access to on the website.

One viable option to achieve better transparency and availability of information for consumers that was widely accepted by the workgroup was the Assisted Living Comparison Experts (ALCE) website established by the University of North Carolina at Chapel Hill (UNC). The workgroup recommends that the Department initiate discussions with UNC to determine the feasibility and costs of restoring and maintaining such as site in a way that might be well-integrated with the new Enterprise platform being developed within the Department.

As mentioned in the report, there is currently little data available regarding the care and services provided in assisted living facilities, and certainly no easily available data to assess the quality of care or services provided in each home. Therefore, if the aforementioned recommendation of improving the availability and transparency of information on a website is pursued, the workgroup also recommends that the Department explore the most efficient ways to obtain data from providers and other sources that would best assist consumers in choosing assisted living facilities. Further exploration should be encouraged to learn how other data that might be available to NCDHHS (e.g. Medicaid claims, Medicare Part D claims) could be used to better understand and assess resident characteristics, conditions, and service use (while safeguarding protected health information).

3. The workgroup recognizes that additional resources would be required to finance the acquisition and maintenance of timely, reliable data that families need to make informed choices about the range and quality of services offered by adult care providers. The Department should also assess what resources would be required to gather, analyze, and report such data explore whether private or philanthropic sources might be pursued to support such an initiative.

APPENDIX A

§ 131D-10. Adult care home rated certificates.

(a) Rules adopted by the North Carolina Medical Care Commission for issuance of certificates to adult care homes shall contain a rating based, at a minimum, on the following:

- (1) Inspections and substantiated complaint investigations conducted by the Department to determine compliance with licensing statutes and rules. Specific areas to be reviewed include:
 - a. Admission and discharge procedures.
 - b. Medication management.
 - c. Physical plant.
 - d. Resident care and services, including food services, resident activities programs, and safety measures.
 - e. Residents' rights.
 - f. Sanitation grade.
 - g. Special Care Units.
 - h. Use of physical restraints and alternatives.

(b) The Division of Health Service Regulation shall issue ratings to a facility pursuant to the rules adopted under this section based on both of the following:

- (1) Inspections and investigations of complaints conducted pursuant to G.S. 131D-2.11 and G.S. 131D-26 that revealed noncompliance with statutes and rules.
- (2) The facility's participation in any quality improvement programs approved by the Department.

(c) Repealed by Session Laws 2017-184, s. 5, effective October 1, 2017.

(c1) The Division of Health Service Regulation shall issue a star rating to a facility within 45 days from the date the Division mails the survey or inspection report to the facility, except when a timely request has been made by the facility under G.S. 131D-2.11 for informal dispute resolution. If a facility makes a timely request for informal dispute resolution, the Division of Health Service Regulation shall issue a star rating to the facility within 15 days from the date the Division mails the informal dispute decision to the facility.

(d) Adult care homes shall display the rating certificate in a location visible to the public. Certificates shall include the Web site address for the Department of Health and Human Services, Division of Health Service Regulation, which can be accessed for specific information regarding the basis of the facility rating. For access by the public on request, adult care homes shall also maintain on-site a copy of information provided by the Department of Health and Human Services, Division of Health Service Regulation, regarding the basis of the facility rating.

(e) The Department shall make available free of charge to the general public on the Division of Health Service Regulation Web site each facility rating and specific information regarding the basis for calculating each facility rating. (2007-544, s. 3(b); 2017-184, s. 5.)

APPENDIX B

SECTION .1600 – RATED CERTIFICATES

10A NCAC 13F .1601 SCOPE

- (a) This Section applies to all licensed adult care homes for seven or more residents that have been in operation for more than one year.
- (b) As used in this Section a "rated certificate" means a certificate issued to an adult care home on or after January 1, 2009 and based on the factors contained in G.S. 131D-10.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

10A NCAC 13F .1602 ISSUANCE OF RATED CERTIFICATES

- (a) A rated certificate shall be issued to a facility by the Division of Health Service Regulation within 45 days completion of a new rating calculation pursuant to Rule .1604 of this Subchapter.
- (b) If the ownership of the facility changes, the rated certificate in effect at the time of the change of ownership shall remain in effect until the next annual survey or until a new certificate is issued pursuant to Rule .1604(b) of this Subchapter.
- (c) The certificate and any worksheet the Division used to calculate the rated certificate shall be displayed in a location visible to the public.
- (d) The facility may contest the rated certificate by requesting a contested case hearing pursuant to G.S. 150B. The rated certificate and any subsequent certificates remain in effect during any contested case hearing process.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

10A NCAC 13F .1603 STATUTORY AND RULE REQUIREMENTS AFFECTING RATED CERTIFICATES

The following Statutes and Rules comprise the standards that contribute to rated certificates:

- (1) G.S. 131D-21 Resident's Rights;
- (2) 10A NCAC 13F .0300 Physical Plant Requirements;
- (3) 10A NCAC 13F .0700 Admission and Discharge Requirements;
- (4) 10A NCAC 13F .0800 Resident Assessment and Care Plan;
- (5) 10A NCAC 13F .0900 Resident Care and Services;
- (6) 10A NCAC 13F .1000 Medication Management;
- (7) 10A NCAC 13F .1300 Special Care Units for Alzheimer's and Related Disorders;
- (8) 10A NCAC 13F .1400 Special Care Units for Mental Health Disorders; and
- (9) 10A NCAC 13F .1500 Use of Physical Restraints and Alternatives.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

10A NCAC 13F .1604 RATING CALCULATION

- (a) Ratings shall be based on:
- (1) Inspections completed pursuant to G.S. 131D-2(b)(1a);

- (2) Statutory and Rule requirements listed in Rule .1603 of this Section;
 - (3) Type A or uncorrected Type B penalty violations identified pursuant to G.S. 131D-34; and
 - (4) Other items listed in Subparagraphs (c)(1) and (c)(2) of this Rule.
- (b) The initial rating a facility receives shall remain in effect until the next inspection. If an activity occurs which results in the assignment of additional merit or demerit points, a new certificate shall be issued pursuant to Rule .1602(a) of this Section.
- (c) The rating shall be based on a 100 point scale. Beginning with the initial rating and repeating with each annual inspection, the facility shall be assigned 100 points and shall receive merits or demerits, which shall be added or subtracted from the 100 points, respectively. The merits and demerits shall be assigned as follows:
- (1) Merit Points
 - (A) If the facility corrects citations of noncompliance with the statutes or rules listed in Rule .1603 of this Subchapter, which are not related to the identification of a Type A violation or an uncorrected Type B violation, the facility shall receive 1.25 merit points for each corrected deficiency;
 - (B) If the facility receives citations on its annual inspection with no Type A or Type B violations and the rating from the annual inspection is one or zero stars the facility may request Division of Health Service Regulation to conduct a follow-up inspection not less than 60 days after the date of the annual inspection. A follow-up inspection shall be completed depending upon the availability of Division of Health Service Regulation staff. As determined by the follow-up review, the facility shall receive 1.25 merit points for each corrected deficiency;
 - (C) If the facility corrects the citation for which a Type A violation was identified, the facility shall receive 2.5 merit points and shall receive an additional 2.5 merit points following the next annual inspection if no further Type A violations are identified;
 - (D) If the facility corrects a previously uncorrected Type B violation, the facility shall receive 1.25 merit points;
 - (E) If the facility's admissions have been suspended, the facility shall receive 5 merit points if the suspension is removed;
 - (F) If the facility participates in any quality improvement program pursuant to G.S. 131D-10, the facility shall receive 2.5 merit points;
 - (G) If the facility receives NC NOVA special licensure designation, the facility shall receive 2.5 merit points;
 - (H) On or after the effective date of this Rule, if the facility permanently installs a generator or has a contract with a generator provider to provide emergency power for essential functions of the facility, the facility shall receive 2 merit points. For purposes of this Section, essential functions mean those functions necessary to maintain the health or safety of residents during power outages greater than 6 hours. If the facility has an existing permanently installed generator or an existing contract with a generator provider, the facility shall receive 1 merit point for maintaining the generator in working order or continuing the contract with a generator provider; and
 - (I) On or after the effective date of this Rule, if the facility installs automatic sprinklers in compliance with the North Carolina Building Code, the facility shall receive 3 merit points. If the facility has an existing automatic sprinkler, the facility shall receive 2 merit points for subsequent ratings for maintaining the automatic sprinklers in good working order.

(2) Demerit Points

- (A) For each citation of noncompliance with the statutes or rules listed in Rule .1603 of this Subchapter, the facility shall receive a demerit of 2 points. The facility shall receive demerit points only once for citations in which the findings are identical to those findings used for another citation;
- (B) For each citation of a Type A violation, the facility shall receive a demerit of 10 points;
- (C) For each citation of a Type B violation, the facility shall receive a demerit of 3.5 points and if the Type B violation remains uncorrected as the result of a follow-up inspection, the facility shall receive an additional demerit of 3.5 points;
- (D) If the facility's admissions are suspended, the facility shall receive a demerit of 10 points; however, if the facility's admissions are suspended pursuant to G.S. 131D-4.2, the facility shall not receive any demerit points; and
- (E) If the facility receives a notice of revocation against its license, the facility shall receive demerit of 31 points.

(d) Facilities shall be given a rating of zero to four stars depending on the score assigned pursuant to Paragraph (a), (b) or (c) of this Rule. Ratings shall be assigned as follows:

- (1) Four stars shall be assigned to any facility whose score is 100 points or greater on two consecutive annual inspections;
- (2) Three stars shall be assigned for scores of 90 to 99.9 points, or for any facility whose score is 100 points or greater on one annual inspection;
- (3) Two stars shall be assigned for scores of 80 to 89.9 points;
- (4) One star shall be assigned for scores of 70 to 79.9 points; and
- (5) Zero stars shall be assigned for scores of 69.9 points or lower.

History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.

10A NCAC 13F .1605 CONTENTS OF RATED CERTIFICATE

- (a) The certificate shall contain a rating determined pursuant to Rule .1604 of this Subchapter.
- (b) The certificate or accompanying worksheet from which the score is derived shall contain a breakdown of the point merits and demerits by the factors listed in Rules .1603 and .1604(c) of this Subchapter in a manner that the public can determine how the rating was assigned and the factors that contributed to the rating.
- (c) The certificate shall be printed on the same type of paper that is used to print the facility's license.
- (d) The Division of Health Service Regulation shall issue the certificate pursuant to Rule .1602 of this Subchapter.

History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.

APPENDIX C

SECTION .1600 – RATED CERTIFICATES

10A NCAC 13G .1601 SCOPE

- (a) This Section applies to all licensed family care homes for two to six residents that have been in operation for more than one year.
- (b) As used in this Section a "rated certificate" means a certificate issued to a family care home on or after January 1, 2009 and based on the factors contained in G.S. 131D-10.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

10A NCAC 13G .1602 ISSUANCE OF RATED CERTIFICATES

- (a) A rated certificate shall be issued to a facility by the Division of Health Service Regulation within 45 days completion of a new rating calculation pursuant to Rule .1604 of this Subchapter.
- (b) If the ownership of the facility changes, the rated certificate in effect at the time of the change of ownership shall remain in effect until the next annual survey or until a new certificate is issued pursuant to Rule .1604(b) of this Subchapter.
- (c) The certificate and any worksheet the Division used to calculate the rated certificate shall be displayed in a location visible to the public.
- (d) The facility may contest the rated certificate by requesting a contested case hearing pursuant to G.S. 150B. The rated certificate and any subsequent certificates remain in effect during any contested case hearing process.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

10A NCAC 13G .1603 STATUTORY AND RULE REQUIREMENTS AFFECTING RATED CERTIFICATES

The following Statutes and Rules comprise the standards that contribute to rated certificates:

- (1) G.S. 131D-21 Resident's Rights;
- (2) 10A NCAC 13G .0300 The Building;
- (3) 10A NCAC 13G .0700 Admission and Discharge Requirements;
- (4) 10A NCAC 13G .0800 Resident Assessment and Care Plan;
- (5) 10A NCAC 13G .0900 Resident Care and Services;
- (6) 10A NCAC 13G .1000 Medications; and
- (7) 10A NCAC 13G .1300 Use of Physical Restraints and Alternatives.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

10A NCAC 13G .1604 RATING CALCULATION

- (a) Ratings shall be based on:
- (1) Inspections completed pursuant to G.S. 131D-2(b)(1a);
 - (2) Statutory and Rule requirements listed in Rule .1603 of this Section;
 - (3) Type A or uncorrected Type B penalty violations identified pursuant to G.S. 131D-34; and

- (4) Other items listed in Subparagraphs (c)(1) and (c)(2) of this Rule.
- (b) The initial rating a facility receives shall remain in effect until the next inspection. If an activity occurs which results in the assignment of additional merit or demerit points, a new certificate shall be issued pursuant to Rule .1602(a) of this Section.
- (c) The rating shall be based on a 100 point scale. Beginning with the initial rating and repeating with each annual inspection, the facility shall be assigned 100 points and shall receive merits or demerits, which shall be added or subtracted from the 100 points, respectively. The merits and demerits shall be assigned as follows:

(1) Merit Points

- (A) If the facility corrects citations of noncompliance with the statutes or rules listed in Rule .1603 of this Subchapter, which are not related to the identification of a Type A violation or an uncorrected Type B violation, the facility shall receive 1.25 merit points for each corrected deficiency;
- (B) If the facility receives citations on its annual inspection with no Type A or Type B violations and the rating from the annual inspection is one or zero stars, the facility may request Division of Health Service Regulation to conduct a follow-up inspection not less than 60 days after the date of the annual inspection. A follow-up inspection shall be completed depending upon the availability of Division of Health Service Regulation staff. As determined by the follow-up review, the facility shall receive 1.25 merit points for each corrected deficiency;
- (C) If the facility corrects the citation for which a Type A violation was identified, the facility shall receive 2.5 merit points and shall receive an additional 2.5 merit points following the next annual inspection if no further Type A violations are identified;
- (D) If the facility corrects a previously uncorrected Type B violation, the facility shall receive 1.25 merit points;
- (E) If the facility's admissions have been suspended, the facility shall receive 5 merit points if the suspension is removed;
- (F) If the facility participates in any quality improvement program pursuant to G.S. 131D-10, the facility shall receive 2.5 merit points;
- (G) If the facility receives NC NOVA special licensure designation, the facility shall receive 2.5 merit points;
- (H) On or after the effective date of this Rule, if the facility permanently installs a generator or has a contract with a generator provider to provide emergency power for essential functions of the facility, the facility shall receive 2 merit points. For purposes of this Section, essential functions mean those functions necessary to maintain the health or safety of residents during power outages greater than 6 hours. If the facility has an existing permanently installed generator or an existing contract with a generator provider, the facility shall receive 1 merit point for maintaining the generator in working order or continuing the contract with a generator provider; and
- (I) On or after the effective date of this Rule, if the facility installs automatic sprinklers in compliance with the North Carolina Building Code, the facility shall receive 3 merit points. If the facility has an existing automatic sprinkler, the facility shall receive 2 merit points for subsequent ratings for maintaining the automatic sprinklers in good working order.

(2) Demerit Points

- (A) For each citation of noncompliance with the statutes or rules listed in Rule .1603 of this Subchapter, the facility shall receive a demerit of 2 points. The facility shall receive demerit points only once for citations in which the findings are identical to those findings used for another citation;
- (B) For each citation of a Type A violation, the facility shall receive a demerit of 10 points;
- (C) For each citation of a Type B violation, the facility shall receive a demerit of 3.5 points and if the Type B violation remains uncorrected as the result of a follow-up inspection, the facility shall receive an additional demerit of 3.5 points;
- (D) If the facility's admissions are suspended, the facility shall receive a demerit of 10 points; however, if the facility's admissions are suspended pursuant to G.S. 131D-4.2, the facility shall not receive any demerit points; and
- (E) If the facility receives a notice of revocation against its license, the facility shall receive demerit of 31 points.

(d) Facilities shall be given a rating of zero to four stars depending on the score assigned pursuant to Paragraph (a), (b) or (c) of this Rule. Ratings shall be assigned as follows:

- (1) Four stars shall be assigned to any facility whose score is 100 points or greater on two consecutive annual inspections;
- (2) Three stars shall be assigned for scores of 90 to 99.9 points, or for any facility whose score is 100 points or greater on one annual inspection;
- (3) Two stars shall be assigned for scores of 80 to 89.9 points;
- (4) One star shall be assigned for scores of 70 to 79.9 points; and
- (5) Zero stars shall be assigned for scores of 69.9 points or lower.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

10A NCAC 13G .1605 CONTENTS OF RATED CERTIFICATE

- (a) The certificate shall contain a rating determined pursuant to Rule .1604 of this Subchapter.
- (b) The certificate or accompanying worksheet from which the score is derived shall contain a breakdown of the point merits and demerits by the factors listed in Rules .1603 and .1604(c) of this Subchapter in a manner that the public can determine how the rating was assigned and the factors that contributed to the rating.
- (c) The certificate shall be printed on the same type of paper that is used to print the facility's license.
- (d) The Division of Health Service Regulation shall issue the certificate pursuant to Rule .1602 of this Subchapter.

*History Note: Authority G.S. 131D-4.5; 131D-10;
Eff. July 3, 2008.*

APPENDIX D

How the North Carolina Star Rated Certificate Program Works

The Inspection Process

North Carolina's adult care home (seven or more beds) and family care home facilities (two to six beds) are inspected annually, or biennially if a 4-star facility, by the Division of Health Service Regulation (DHSR), Adult Care Licensure Section. The goal of inspections is to evaluate the facility's compliance with applicable laws and regulations affecting the quality and safety of care provided. Follow-up inspections to the annual survey are conducted if a facility has demonstrated significant non-compliance during the annual inspection. The Adult Care Licensure Section, along with the County Departments of Social Services, also conducts complaint investigations as needed. All inspections are unannounced.

During annual and biennial inspections, the focus of the survey is on various rule areas that are vital to ensuring the health, safety and welfare of the residents. These are known as the "Fundamental Rule Areas." Although the focus of the survey begins with the fundamental rule areas, any rule area can be cited if non-compliance is identified. If non-compliance with state rules and regulations for adult care homes and family care homes is identified during an inspection, the survey team must determine the level of the facility's non-compliance. In 2009 when star rating began, there were four levels of non-compliance: Type A Violations, Type B Violations, Uncorrected Type B Violations, and Citations. In 2011, legislative changes to G.S. 131D-34, created two levels of Type A violations—Type A1 and Type A2. The violation types are defined as follows:

- *"Type A1 Violation"* means a violation by a facility of the regulations, standards, and requirements set forth in G.S. 131D-21 or applicable State or federal laws and regulations governing the licensure or certification of a facility which results in death or serious physical harm, abuse, neglect, or exploitation. Civil monetary penalties are imposed for Type A1 violations.
- *"Type A2 Violation"* means a violation by a facility of the regulations, standards, and requirements set forth in G.S. 131D-21 or applicable State or federal laws and regulations governing the licensure or certification of a facility which results in substantial risk that death or serious physical harm, abuse, neglect, or exploitation will occur. As used in this section, "substantial risk" shall mean the risk of an outcome that is substantially certain to materialize if immediate action is not taken. Civil monetary penalties may or may not be imposed for Type A2 violations.
- *"Type B Violation"* means a failure to follow the regulations, standards or requirements governing its licensure presents a direct relationship to the health, safety, or welfare of any resident, but which does not result in substantial risk that death or serious harm will occur. If a facility fails to correct a Type B violation by a specified timeframe, it is called an "Uncorrected (or Unabated) Type B Violation," and a civil monetary penalty is imposed.

- “Citation” (or ‘Standard Deficiencies’) means a failure to comply with licensure rules. A citation will be issued if the survey team determines there is sufficient scope (there are a number of residents potentially or actually affected by the non-compliance) and severity (the effect on resident outcomes).

The Star Rated Certificate Program

As of January 1, 2009, each facility began with a base score of 100 points. Based on the facility's compliance or non-compliance with rule areas during inspections, the facility earns merit or demerit points which are added or subtracted from the 100 base points. Within 45 days of the survey report (called a “Statement of Deficiencies”) being mailed, a rating certificate (showing a numeric score and number of stars earned) and the worksheet used to calculate the rating score is sent to the facility. A new certificate and worksheet is generated after each annual inspection, after subsequent inspections, and each time the rating score changes for administrative licensure actions. Facilities are required to post the most recent certificate and worksheet at the facility in a location visible to the public. Also, star ratings and rating worksheets are posted on the DHSR Adult Care Licensure website twice per month. The website contains the facility's current rating as well as any past ratings to allow consumers to view the facility's compliance history. Star ratings can be located at the following website: <https://www2.ncdhhs.gov/dhsr/acls/star/search.asp>.

Star Ratings are based on the results of:

1. DHSR ACLS annual inspections
2. DHSR ACLS follow-up surveys (including complaint investigations)
3. DHSR Construction surveys (Type A and Type B violations cited)
4. Administrative Licensure Actions issued by DHSR ACLS
5. Recommendations of Type A and uncorrected Type B violations from the County Departments of Social Services (DSS) as agreed to by DHSR.

Star Rating Scale

The Star Rated Certificate program is based on a point scale and ranges from zero to four stars. The scale used to determine a facility's star rating is as follows:



(4 stars) = 100 or greater points on two consecutive annual surveys



(3 stars) = 90.0-99.9 points, or for any facility whose score is 100 points or greater on one annual inspection



(2 stars) = 80.0-89.9 points



(1 star) = 70.0-79.9 points

(ZERO STAR)

(0 stars) = 69.9 points or lower

Demerit Points

Demerit points are points subtracted from the base score for citations and violations cited. Citations and Type B violations cited by DHSR under the fundamental rule areas count against a facility's rating score. If a citation or Type B violation is not in a fundamental rule area, it does not count against the facility's rating. Type A and Uncorrected Type B violations from any rule area cited by DHSR or DSS count against the rating score. Demerit point values are as follows:

- Citations: Deduct 2.0 points each
- Type A violations (in any rule area): Deduct 10.0 points each
- Type B violations: Deduct 3.5 points each
- Uncorrected Type B violation (in any rule area): Deduct 3.5 points each

Administrative licensure action issued by DHSR also results in demerit points being deducted from the rating score as follows:

- Suspension of Admissions issued by DHSR ACLS: Deduct 10 points
- Notice of Revocation of License issued by DHSR ACLS: Deduct 31 points

Merit Points

Merit points are points added to a facility's score for correction of citations and violations upon follow-up inspection. Merit point values are as follows:

- Corrected citation: Add 1.25 points each
- Corrected Type A violation (in any rule area): Add 2.5 points each
- Corrected Type B violation: Add 1.25 points each
- Uncorrected Type B violation corrected (in any rule area): Add 1.25 points each

Administrative licensure actions rescinded by DHSR also results in merit points being added to the rating score as follows:

- Removal of Suspension of Admissions issued by DHSR: Add 5.0 points

Also, when a facility corrects the citation for which a Type A violation was identified, the facility not only receives 2.5 merit points upon correction, but also receives an additional 2.5 merit points following the next annual inspection if no further Type A violations are identified.

Additional Merit Point Opportunities

There are four opportunities for a facility to earn extra merit points at each annual inspection. The purpose of the extra merit points is to encourage facilities to take additional measures above and beyond what is minimally required by state rules to ensure the health, safety, welfare, and quality of life of their residents. Facilities do not lose points by not putting these measures in place. The four extra merit point opportunities are:

1. Emergency Power Backup

Facilities that have made arrangements for emergency power backup (i.e. have a generator permanently installed on-site or have a current contract with an emergency power backup provider) and maintain the system in working order receive extra merit points at each annual inspection. Verification of the emergency power backup system or contract is conducted by the DHSR Construction Section.

Facilities receive extra merit points for emergency power backup based on whether it is "new" or "existing." Merit points are issued at each annual inspection as follows:

- If the facility's generator was installed (or contract is dated) before July 3, 2008, it is considered "existing" and 1.0 merit points are added to the rating score.
- If the facility's generator was installed (or contract is dated) after July 3, 2008, it is considered "new" and 2.0 merit points are added to the rating score.

2. Automatic Sprinkler System

Facilities that have installed an automatic sprinkler system throughout the facility and maintain the system in working order receive extra merit points at each annual inspection. Verification of the automatic sprinkler system and maintenance of the system is conducted by the DHSR Construction Section.

Facilities receive extra merit points for an automatic sprinkler system based on whether the system is "new" or "existing." Merit points are issued at each annual inspection as follows:

- If the facility's automatic sprinkler system was installed before July 3, 2008, it is considered "existing" and 2.0 merit points are added to the rating score.
- If the facility's automatic sprinkler system was installed after July 3, 2008, it is considered "new" and 3.0 merit points are added to the rating score.

3. NC NOVA Designation

The North Carolina New Organizational Vision Award, or NC NOVA, is a voluntary special license awarded to adult care homes, home care agencies and nursing facilities that meet rigorous workplace standards for their direct care workers.

Successful applicants receive a special state license over and above their operating license, designating them as NC NOVA providers committed to the idea that better jobs mean better care. NC NOVA recognizes long-term care employers that take extra steps to support their workers on the job. NC NOVA licensure tells families this provider has met higher workforce standards designed to keep a well-trained, effective, and satisfied team of quality caregivers. Any licensed provider in good standing may apply for NC NOVA licensure. NC NOVA licensure is issued for two years.

When a facility has achieved NC NOVA special licensure designation, 2.5 additional merit points are added to the rating score upon each annual inspection that the designation remains in effect.

4. Participation in a Quality Improvement Program Approved by DHHS

Facilities who participate in a Quality Improvement (QI) program that has been approved by DHHS are issued 2.5 extra merit points. QI Program approval is conducted on-site by the DHSR survey team during a facility's annual inspection. Facilities may develop their own quality improvement program, participate in a program organized by their corporation, or may participate in a program already approved by DHHS such as those that were offered by the Division of Aging and Adult Services.

Additional Star Rating Information

- A facility with a "0" or "1" star rating with no Type A or B violations after their annual inspection can request a follow-up survey from DHSR that would occur at least 60 days after their annual survey.
- Change of Ownership: The star rating earned by a facility remains in effect through a change of ownership until the facility's next annual inspection has occurred.
- Facilities may contest the rated certificate by requesting a contested case hearing with the Office of Administrative Hearings, 1711 New Hope Church Road, Raleigh, NC 919-431-3000. The rated certificate and any subsequent certificates remain in effect during any contested case hearing process.

Recent Changes to the Star Rating Program -- S.L. 2017-184 "Improve Adult Care Home Regulation"

As a result of collaboration with relevant stakeholders, a few changes were made to the NC Star Rated Certificate Program through legislation in 2017 to address particular issues with the program. Those changes are briefly summarized below:

- Originally, points deducted for Type A violations resulting in a penalty affect the facility's star rating score for 24 months from the date the violation was identified and points deducted for uncorrected Type B violations resulting in a penalty affect the facility's rating score for 12 months from the date the violation was identified. The legislative change in 2017 eliminated the 24 and 12 month impact of Type A and B violations.
- Originally, initial licensure surveys do not generate a rating. A rating is not issued until a facility has had an annual survey. Initial licenses/surveys now generate a star rating.
- Originally, star ratings must be issued to a facility within 45 days of the exit date of the survey. The new legislation allows a provider to request Informal Dispute Resolution (G.S. 131D-2.11) prior to a star rating being issued.