

## RÉSUMÉ DIGEST

ACT 417 (HB 402)

2017 Regular Session

Havard

New law provides that it may be cited as the "Community-Based Care Facility Licensing Law".

New law presents findings and declarations concerning the necessity of appropriate care and treatment for persons with mental illness.

New law provides that its purpose is to authorize the La. Department of Health (LDH) to promulgate and adopt rules, regulations, and standards to license and regulate facilities to be operated as community-based care facilities in order to provide for the health, safety, and welfare of persons receiving mental health services.

New law defines "community-based care facility" as a facility where five or more adults with a primary diagnosis of mental illness who are not related to the operator or administrator and who do not require care above intermediate-level nursing care reside and receive care, treatment, or services that are above the level of room and board and include no more than three hours of nursing care per week per resident.

New law requires each community-based care facility to be licensed in accordance with the requirements of new law. Specifically provides that community-based care facilities shall not be subject to requirements of existing law for licensure and regulation as behavioral health services providers (R.S. 40:2151 et seq.).

New law stipulates that no facility, agency, institution, person, society, corporation, partnership, unincorporated association, group, or other legal entity providing community-based care services may be established, operated, or reimbursed through the Medicaid program unless licensed as a community-based care facility by LDH.

New law provides that a license issued to a community-based care facility shall be issued only for the owner and premises named in the application; shall be on a form prescribed by LDH; shall be valid for a 12-month period beginning the month of issuance unless revoked or otherwise suspended prior to that date; and shall not be transferable or assignable.

New law requires LDH to adopt rules, regulations, and licensing standards in accordance with the Administrative Procedure Act to provide for the licensure of community-based care facilities. Provides that such rules, regulations, and licensing standards shall include, without limitation, all of the following:

- (1) Licensure application and renewal application forms, procedures, and requirements.
- (2) Operational and personnel requirements.
- (3) Practice standards to assure quality of care.
- (4) Practice standards to assure the health, safety, and welfare of clients.
- (5) Confidentiality of client records.
- (6) Initial and annual renewal of license.
- (7) Financial viability requirements and requirements for verification and continuous maintenance of financial viability.
- (8) Denial, revocation, suspension, and nonrenewal of licenses, and procedures for appeals of such decisions.
- (9) Facility construction and design.
- (10) Other regulations or standards to ensure proper care and treatment of clients.

New law applies to community-based care facilities all of the following fees established in existing law for licensed healthcare facilities and providers, all of which are payable to LDH:

- (1) A fee of \$600 at the time of initial application for licensure and annually thereafter for renewal of the license.
- (2) An additional fee of \$5 per unit, defined to mean a room or station (commonly known as a "bed fee").
- (3) A delinquent fee of \$100 for failure to timely renew a license.

New law provides that following receipt of a license application and the required fee, LDH shall perform an onsite survey and inspection, and shall issue a license to the applicant if it finds that the applicant meets all applicable licensure requirements. Provides that LDH may perform another onsite survey and inspection after receiving an annual license renewal application, and shall renew the facility's license if the facility continues to meet all applicable licensure requirements. Provides further that LDH may perform any onsite inspections of community-based care facilities at reasonable times as necessary to ensure compliance with new law.

New law authorizes LDH to license community-based care facilities which propose to operate in one or more state-owned residential buildings. Requires the secretary of LDH to direct department staff to cooperate with and give assistance to any applicant who seeks to operate a community-based care facility in one or more state-owned residential buildings and is otherwise qualified for licensure pursuant to new law.

New law provides that its implementation shall be subject to approval by the Centers for Medicare and Medicaid Services (CMS) and by the Joint Legislative Committee on the Budget.

New law extends the termination of the moratorium on licensure of level 4 adult residential care providers provided in prior law from July 1, 2017, to July 1, 2022.

Effective August 1, 2017; however, new law stipulates that its provisions relative to community-based care facility licensure shall only become effective in the event that a specific appropriation by the legislature is made for such purposes and the program receives approval by CMS.

(Amends R.S. 40:2166.7.1; Adds R.S. 40:2006(A)(2)(r), (B)(2)(i), and (E)(2)(t), 2154(A)(19), and 2162.1-2162.8)