

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 10
Health Care Committee Substitute Adopted 4/28/99

Short Title: Long-Term Care Safety Initiative.

(Public)

Sponsors:

Referred to:

January 28, 1999

A BILL TO BE ENTITLED

AN ACT TO ENACT REFORMS IN THE LONG-TERM CARE INDUSTRY IN ORDER TO IMPROVE QUALITY OF CARE, INCREASE PROTECTION OF RESIDENTS, AND STRENGTHEN REGULATORY OVERSIGHT OF INDUSTRY PRACTICES.

The General Assembly of North Carolina enacts:

PART I. SUBSTANTIVE PROVISIONS FOR RESIDENT SAFETY

Section 1.1. Article 1 of Chapter 131D of the General Statutes is amended by adding the following new sections to read:

"§ 131D-4.4. Adult care home minimum safety requirements.

In addition to other requirements established by this Article or by rules adopted pursuant to this Article or other provisions of law, every adult care home shall provide to each resident the care, safety, and services necessary to enable the resident to attain and maintain the highest practicable level of physical, emotional, and social well-being in accordance with:

(1) The resident's individual assessment and plan of care; and

(2) Rules and standards relating to quality of care and safety adopted under this Chapter.

"§ 131D-4.5. Rules adopted by Medical Care Commission.

1 The Medical Care Commission shall adopt rules as follows:

- 2 (1) Establishing minimum medication administration standards for adult
3 care homes. The rules shall include the minimum staffing and training
4 requirements for medication aides and standards for professional
5 supervision of adult care homes' medication controls. The requirements
6 shall be designed to reduce the medication error rate in adult care homes
7 to an acceptable level. The requirements shall include, but need not be
8 limited to, all of the following:
- 9 a. Training for medication aides, including periodic refresher
10 training.
- 11 b. Standards for management of complex medication regimens.
- 12 c. Oversight by licensed professionals.
- 13 d. Measures to ensure proper storage of medication.
- 14 (2) Establishing training requirements for adult care home staff in
15 behavioral interventions. The training shall include appropriate
16 responses to behavioral problems posed by adult care residents. The
17 training shall emphasize safety and humane care and shall specifically
18 include alternatives to the use of restraints.
- 19 (3) Establishing minimum training and education qualifications for
20 supervisors in adult care homes and specifying the safety
21 responsibilities of supervisors.
- 22 (4) Specifying the qualifications of staff who shall be on duty in adult care
23 homes during various portions of the day in order to assure safe and
24 quality care for the residents. The rules shall take into account varied
25 resident needs and population mixes.
- 26 (5) Implementing the due process and appeal rights for discharge and
27 transfer of residents in adult care homes afforded by G.S. 131D-21. The
28 rules may provide for procedures comparable to those provided to
29 nursing home residents pursuant to federal law, to Chapter 131E of the
30 General Statutes, and to related rules.
- 31 (6) Establishing procedures for determining the compliance history of adult
32 care homes' principals and affiliates. The rules shall include criteria for
33 refusing to license facilities which have a history of, or have principals
34 or affiliates with a history of, noncompliance with State law, or
35 disregard for the health, safety, and welfare of residents.
- 36 (7) For the licensure of special care units in accordance with G.S. 131D-4.6,
37 and for disclosures required to be made under G.S. 131D-7.
- 38 (8) For time limited provisional licenses and for granting extensions for
39 provisional licenses.

40 **"§ 131D-4.6. Licensure of special care units.**

41 (a) As used in this section, the term 'special care unit' means a wing or hallway
42 within an adult care home, or a program provided by an adult care home, that is
43 designated especially for residents with Alzheimer's disease or other dementias, or other

1 special needs disease or condition, as determined by the Medical Care Commission,
2 which may include mental disabilities.

3 (b) An adult care home that holds itself out to the public as providing a special
4 care unit shall be licensed as such and shall, in addition to other licensing requirements
5 for adult care homes, meet the standards established under rules adopted by the Medical
6 Care Commission.

7 (c) An adult care home that holds itself out to the public as providing a special
8 care unit without being licensed as a special care unit is subject to licensure actions and
9 penalties provided under G.S. 131D-2(b), as well as any other action permitted by law.

10 **"§ 131D-4.7. Adult care home specialist fund.**

11 There is established the adult care home specialist fund. The fund shall be maintained
12 in and by the Department for the purpose of assisting county departments of social
13 services in paying salaries of adult care home specialists."

14 Section 1.2. G.S. 131D-2(a1) reads as rewritten:

15 "(a1) Persons not to be cared for in adult care homes. – Except when a physician
16 certifies that appropriate care can be provided on a temporary basis to meet the resident's
17 needs and prevent unnecessary relocation, adult care homes shall not care for individuals
18 with any of the following conditions or care needs:

- 19 (1) Ventilator dependency;
- 20 (2) Individuals requiring continuous licensed nursing care;
- 21 (3) Individuals whose physician certifies that placement is no longer
22 appropriate;
- 23 (4) Individuals whose health needs cannot be met in the specific adult care
24 home as determined by the residence; and
- 25 (5) Such other medical and functional care needs as the ~~Social Services~~
26 Medical Care Commission determines cannot be properly met in an
27 adult care home."

28 Section 1.3. G.S. 131D-2(a2)(12) reads as rewritten:

29 "(12) Such other medical and functional care needs as the ~~Social Services~~
30 Medical Care Commission determines cannot be properly met in
31 multiunit assisted housing with services."

32 Section 1.4. G.S. 131D-2(c2) reads as rewritten:

33 "(c2) The ~~Social Services~~ Medical Care Commission shall adopt ~~any~~ rules necessary
34 to carry out this section. The Commission has the authority, in adopting rules, to specify
35 the limitation of nursing services provided by assisted living residences. In developing
36 rules, the Commission shall consider the need to ensure comparable quality of services
37 provided to residents, whether these services are provided directly by a licensed assisted
38 living provider, licensed home care agency, or hospice. In adult care homes, living
39 arrangements where residents require supervision due to cognitive impairments, rules
40 shall be promulgated to ensure that supervision is appropriate and adequate to meet the
41 special needs of these residents."

42 Section 1.5. G.S. 131D-2(b) is amended by adding the following new
43 subdivision to read:

1 "(6) Prior to issuing a new license or renewing an existing license, the
2 Department shall conduct a compliance history review of the facility
3 and its principals and affiliates. The Department may refuse to license a
4 facility when the compliance history review shows a pattern of
5 noncompliance with State law by the facility or its principals or
6 affiliates, or otherwise demonstrates disregard for the health, safety, and
7 welfare of residents in current or past facilities. The Department shall
8 require compliance history information and make its determination
9 according to rules adopted by the Medical Care Commission."

10 Section 1.6. G.S. 131D-21 is amended by adding the following new
11 subdivision to read:

12 "(17) To not be transferred or discharged from a facility except for medical
13 reasons, the residents' own or other residents' welfare, nonpayment for
14 the stay, or when the transfer is mandated under State or federal law.
15 The resident shall be given at least 30 days' advance notice to ensure
16 orderly transfer or discharge, except in the case of jeopardy to the health
17 or safety of the resident or others in the home. The resident has the
18 right to appeal a facility's attempt to transfer or discharge the resident
19 pursuant to rules adopted by the Secretary, and the resident shall be
20 allowed to remain in the facility until resolution of the appeal unless
21 otherwise provided by law. The Secretary shall adopt rules pertaining
22 to the transfer and discharge of residents that offer at least the same
23 protections to residents as State and federal rules and regulations
24 governing the transfer or discharge of residents from nursing homes."

25 Section 1.7. G.S. 131D-2(b)(1) reads as rewritten:

26 "(b) Licensure; inspections. –

27 (1) The Department of Health and Human Services shall inspect and
28 license, under rules adopted by the ~~Social Services~~ Medical Care
29 Commission, all adult care homes for persons who are aged or mentally
30 or physically disabled except those exempt in subsection (c) of this
31 section. Licenses issued under the authority of this section shall be valid
32 for one year from the date of issuance unless revoked earlier by the
33 Secretary ~~of Health and Human Services~~ for failure to comply with any
34 part of this section or any rules adopted hereunder. No new license shall
35 be issued for any ~~domiciliary~~ adult care home whose administrator was
36 the administrator for any ~~domiciliary~~ adult care home that had its license
37 revoked until one full year after the date of revocation. Licenses shall be
38 renewed annually upon filing and the Department's approval of the
39 renewal application. A license shall not be renewed if outstanding fines
40 and penalties imposed by the State against the home have not been paid.
41 Fines and penalties for which an appeal is pending are exempt from
42 consideration. The renewal application shall contain all necessary and
43 reasonable information that the Department may by rule require. Except

1 as otherwise provided in this subdivision, the ~~The~~ Department may
2 amend a license by reducing it from a full license to a provisional
3 license for a period of not more than 90 days whenever the Department
4 finds that:

- 5 a. The licensee has substantially failed to comply with the
6 provisions of Articles 1 and 3 of Chapter 131D of the General
7 Statutes and the rules adopted pursuant to these Articles;
8 b. There is a reasonable probability that the licensee can remedy the
9 licensure deficiencies within a reasonable length of time; and
10 c. There is a reasonable probability that the licensee will be able
11 thereafter to remain in compliance with the licensure rules for the
12 foreseeable future.

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

17 The Department may revoke a license whenever:

- 18 a. The Department finds that:
19 1. The licensee has substantially failed to comply with the
20 provisions of Articles 1 and 3 of Chapter 131D of the
21 General Statutes and the rules adopted pursuant to these
22 Articles; and
23 2. It is not reasonably probable that the licensee can remedy
24 the licensure deficiencies within a reasonable length of
25 time; or
26 b. The Department finds that:
27 1. The licensee has substantially failed to comply with the
28 provisions of Articles 1 and 3 of Chapter 131D of the
29 General Statutes and the rules adopted pursuant to these
30 Articles; and
31 2. Although the licensee may be able to remedy the
32 deficiencies within a reasonable time, it is not reasonably
33 probable that the licensee will be able to remain in
34 compliance with licensure rules for the foreseeable future;
35 or
36 c. The Department finds that the licensee has failed to comply with
37 the provisions of Articles 1 and 3 of Chapter 131D of the General
38 Statutes and the rules adopted pursuant to these Articles, and the
39 failure to comply endangered the health, safety, or welfare of the
40 patients in the facility.

41 The Department may also issue a provisional license to a facility,
42 pursuant to rules adopted by the ~~Social Services~~ Medical Care
43 Commission, for substantial failure to comply with the provisions of

1 this section or rules ~~promulgated~~ adopted pursuant to this section. Any
2 facility wishing to contest the issuance of a provisional license shall be
3 entitled to an administrative hearing as provided in the Administrative
4 Procedure Act, Chapter 150B of the General Statutes. A petition for a
5 contested case shall be filed within 30 days after the Department mails
6 written notice of the issuance of the provisional license."

7 Section 1.8. G.S. 131D-26 is amended by adding the following new subsection
8 to read:

9 "(a1) When the department of social services in the county in which a facility is
10 located receives a complaint alleging a violation of the provisions of this Article
11 pertaining to patient care or patient safety, the department of social services shall initiate
12 an investigation as follows:

13 (1) Immediately upon receipt of the complaint if the complaint alleges a
14 life-threatening situation.

15 (2) Within 24 hours if the complaint alleges abuse of a resident as defined
16 by G.S. 131D-20(1).

17 (3) Within 48 hours if the complaint alleges neglect of a resident as defined
18 by G.S. 131D-20(8).

19 (4) Within two weeks in all other situations.

20 The investigation shall be completed within 30 days. The requirements of this section are
21 in addition to and not in lieu of any investigatory requirements for adult protective
22 services pursuant to Article 6 of Chapter 108A of the General Statutes."

23 Section 1.9. G.S. 131E-124 is amended by adding two new subsections to read:

24 "(a1) When the Department receives a complaint alleging a violation of the
25 provisions of this Part pertaining to patient care or patient safety, the Department shall
26 initiate an investigation as follows:

27 (1) Immediately upon receipt of the complaint if the complaint alleges a
28 life-threatening situation.

29 (2) Within 24 hours if the complaint alleges abuse of a resident as defined
30 by G.S. 131D-20(1).

31 (3) Within 48 hours if the complaint alleges neglect of a resident as defined
32 by G.S. 131D-20(8).

33 (4) Within two weeks in all other situations.

34 The investigation shall be completed within 30 days. The requirements of this section are
35 in addition to and not in lieu of any investigatory requirements for adult protective
36 services pursuant to Article 6 of Chapter 108A of the General Statutes.

37 ...

38 (d) Pursuant to 42 U.S.C. § 1395 and G.S. 131E-127, a nursing home as defined in
39 G.S. 131E-101(6), is not in violation of any applicable statute, rule, or regulation for any
40 action taken pursuant to a physician's order when the physician has determined that the
41 action is medically necessary."

42 Section 1.10. G.S. 108A-103 is amended by adding the following new
43 subsection to read:

1 "(d) The director shall initiate the evaluation described in subsection (a) of this
2 section as follows:

- 3 (1) Immediately upon receipt of the complaint if the complaint alleges a
4 life-threatening situation.
5 (2) Within 24 hours if the complaint alleges abuse of a resident as defined
6 by G.S. 131D-20(1).
7 (3) Within 48 hours if the complaint alleges neglect of a resident as defined
8 by G.S. 131D-20(8).
9 (4) Within two weeks in all other situations.

10 The investigation shall be completed within 30 days."

11 Section 1.11. G.S. 131E-233 is amended by adding the following new
12 subsection to read:

- 13 "(c) (1) Upon petition by the Department for emergency intervention,
14 a court may order the appointment of an emergency temporary
15 manager after finding that there is reasonable cause to believe that:
16 a. Conditions or a pattern of conditions exist in the long-term care
17 facility that create an immediate substantial risk of death or
18 serious physical harm to residents; or
19 b. The long-term care facility is closing or intends to close before
20 the time in which a hearing would ordinarily be scheduled, and:
21 1. Adequate arrangements for relocating residents have not
22 been made, or
23 2. Quick relocation would not be in the best interest of
24 residents.
25 (2) The court shall appoint an emergency temporary manager to serve until
26 a hearing is conducted in accordance with ordinary procedures and shall
27 direct the temporary manager to make only such changes in
28 administration as necessary to protect the health or safety of residents
29 until the emergency condition is resolved.
30 (3) The court shall schedule a hearing on the appointment of an emergency
31 temporary manager within three days after service of notice of the filing
32 of the petition. Notice of the filing of the petition and other relevant
33 information, including the factual basis of the belief that an emergency
34 temporary manager is needed shall be served upon the facility as
35 provided in this Article. The notice shall be given at least 24 hours prior
36 to the hearing of the petition for emergency intervention, except that the
37 court may issue an immediate emergency order ex parte upon a finding
38 as fact that:
39 a. The conditions specified above exist, and
40 b. There is likelihood that a resident may suffer irreparable injury or
41 death if the order is delayed.

42 The order shall contain a show-cause notice to each person upon whom
43 the notice is served directing the person to appear immediately or at any

1 time up to and including the time for the hearing of the petition for
2 emergency services and show cause, if any exists, for the dissolution or
3 modification of the order. Unless dissolved by the court for good cause
4 shown, the emergency order ex parte shall be in effect until the hearing
5 is held on the petition for emergency services. At the hearing, if the
6 court determines that the emergency continues to exist, the court may
7 order the provision of emergency services in accordance with
8 subsections (a) and (b) of this section."

9 Section 1.12. G.S. 131E-234 reads as rewritten:

10 **"§ 131E-234. Grounds for appointment of temporary manager.**

11 Upon a showing by the Department that one or more of the following grounds exist,
12 the court may appoint a temporary manager for an initial period of 30 days or the first
13 review by a superior court judge pursuant to G.S. 131E-243, whichever is longer:

- 14 (1) Conditions or a pattern of conditions exist in the long-term care facility
15 that create a substantial risk of death or serious physical harm to
16 residents or that death or serious physical harm has occurred, and it is
17 probable that the facility will not or cannot immediately remedy those
18 conditions or pattern of ~~conditions~~; conditions, or the facility has shown
19 a pattern of failure to comply with applicable laws and rules and
20 continues to fail to comply;
21 (2) The long-term care facility is operating without a license;
22 (3) The license of the long-term care facility has been revoked or the long-
23 term care facility is closing or intends to close and: (i) adequate
24 arrangements for relocating residents have not been made, or (ii) quick
25 relocation would not be in the best interest of the residents; or
26 (4) A previous court order has been issued requiring the respondent to act
27 or refrain from acting in a manner directly affecting the care of the
28 residents and the respondent has failed to comply with the court order."

29 Section 1.13. G.S. 131E-242(a) reads as rewritten:

30 **"§ 131E-242. Contingency fund.**

31 (a) The Department ~~shall establish~~ may maintain a temporary management
32 contingency fund ~~fund from the proceeds of penalties collected by the Department under~~
33 ~~the provisions of G.S. 131D-2 for adult care homes."~~

34 Section 1.14. G.S. 131D-2(e) reads as rewritten:

35 "~~(e) The Department of Health and Human Services shall provide the method of~~
36 ~~evaluation of residents in adult care homes in order to determine when any of those~~
37 ~~residents are in need of the professional medical and nursing care provided in licensed~~
38 ~~nursing homes. The Department shall ensure that facilities conduct and complete an~~
39 ~~assessment of each resident prior to admitting the resident and annually thereafter. In~~
40 ~~conducting the assessment, the facility shall use an assessment instrument approved by~~
41 ~~the Secretary upon the advice of the Director of the Division of Aging. The Department~~
42 ~~shall provide ongoing training for facility personnel in the use of the approved~~
43 ~~assessment instrument.~~

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

10 The Department as part of its inspection and licensing of adult care homes shall
11 review assessments and related service plans and care plans for a selected number of
12 residents. In conducting this review, the Department shall determine:

- 13 (1) Whether the appropriate assessment instrument was administered and
14 interpreted correctly;
- 15 (2) Whether the facility is capable of providing the necessary services;
- 16 (3) Whether the service plan or care plan conforms to the results of an
17 appropriately administered and interpreted assessment; and
- 18 (4) Whether the service plans or care plans are being implemented fully and
19 in accordance with an appropriately administered and interpreted
20 assessment.

21 If the Department finds that the facility is not carrying out its assessment
22 responsibilities in accordance with this section, the Department shall notify the facility
23 and require the facility to implement a corrective action plan. The Department shall also
24 notify the resident of the results of its review of the assessment, service plans, and care
25 plans developed for the resident. In addition to administrative penalties, the Secretary
26 may suspend the admission of any new residents to the facility. The suspension shall be
27 for the period determined by the Secretary and shall remain in effect until the Secretary is
28 satisfied that conditions or circumstances merit removing the suspension."

29 **PART II. ADULT CARE HOME DISCLOSURE REQUIREMENTS**

30 Section 2.1. Article 1 of Chapter 131D of the General Statutes is amended by
31 adding the following new section to read:

32 **"§ 131D-7. Adult care home special care units; disclosure of information required.**

33 (a) An adult care home licensed under this Part that provides care for persons with
34 Alzheimer's disease or other dementias in a special care unit shall disclose the form of
35 care or treatment provided that distinguishes the special care unit as being especially
36 designed for residents with Alzheimer's disease or other dementias. The disclosure shall
37 be in writing and shall be made to all of the following:

- 38 (1) The Department as part of its licensing procedures.
- 39 (2) Each person seeking placement within an Alzheimer's special care unit,
40 or the person's authorized representative, prior to entering into an
41 agreement with the person to provide special care.
- 42 (3) The Office of State Long-Term Care Ombudsman, annually, or more
43 often if requested.

1 (b) Information that must be disclosed in writing shall include, but is not limited
2 to, all of the following:

3 (1) A statement of the overall philosophy and mission of the licensed
4 facility and how it reflects the special needs of residents with dementia
5 and mental disabilities.

6 (2) The process and criteria for placement, transfer, or discharge to or from
7 the special care unit.

8 (3) The process used for assessment and establishment of the plan of care
9 and its implementation, including how the plan of care is responsive to
10 changes in the resident's condition.

11 (4) Staffing ratios and how they meet the resident's need for increased care
12 and supervision.

13 (5) Staff training that is dementia-specific.

14 (6) Physical environment and design features that specifically address the
15 needs of residents with Alzheimer's disease or other dementias.

16 (7) Frequency and type of programs and activities for residents of the
17 special care unit.

18 (8) Involvement of families in resident care, and availability of family
19 support programs.

20 (9) Additional costs and fees to the resident for special care.

21 (c) As part of its license renewal procedures and inspections, the Department shall
22 examine for accuracy the written disclosure of each adult care home subject to this
23 section. Substantial changes to written disclosures shall be reported to the Department at
24 the time the change is made.

25 (d) Nothing in this section shall be construed as prohibiting an adult care home
26 that does not offer a special care unit from admitting a person with Alzheimer's disease or
27 other dementias. The disclosures required under this section apply only to an adult care
28 home that advertises, markets, or otherwise promotes itself as providing a special care
29 unit for persons with Alzheimer's disease or other dementias.

30 (e) As used in this section, the term 'special care unit' has the same meaning as
31 applies under G.S. 131D-4.6."

32 Section 2.2. G.S. 131D-6 is amended by adding the following new subsection
33 to read:

34 "(b1) An adult day care program that provides or that advertises, markets, or
35 otherwise promotes itself as providing special care services for persons with Alzheimer's
36 disease or other dementias shall provide the following written disclosures to the
37 Department and to persons seeking adult day care program special care services:

38 (1) A statement of the overall philosophy and mission of the adult day care
39 program and how it reflects the special needs of participants with
40 dementia.

41 (2) The process and criteria for providing or discontinuing special care
42 services.

- 1 (3) The process used for assessment and establishment of the plan of care
2 and its implementation, including how the plan of care is responsive to
3 changes in the participant's condition.
4 (4) Staffing ratios and how they meet the participant's need for increased
5 special care and supervision.
6 (5) Staff training that is dementia-specific.
7 (6) Physical environment and design features that specifically address the
8 needs of participants with Alzheimer's disease or other dementias.
9 (7) Frequency and type of participant activities provided.
10 (8) Involvement of families in special care and availability of family
11 support programs.
12 (9) Additional costs and fees to the participant for special care.

13 (c) As part of its certification renewal procedures and inspections, the Department
14 shall examine for accuracy the written disclosure of each adult day care program subject
15 to this section. Substantial changes to written disclosures shall be reported to the
16 Department at the time the change is made.

17 (d) Nothing in this section shall be construed as prohibiting an adult day care
18 program that does not advertise, market, or otherwise promote itself as providing special
19 care services for persons with Alzheimer's disease or other dementias from providing
20 adult day care services to persons with Alzheimer's disease or other dementias.

21 (e) As used in this section, the term 'special care service' means a program,
22 service, or activity designed especially for participants with Alzheimer's disease, other
23 dementia, or other special needs disease or condition, as determined by the Medical Care
24 Commission."

25 **PART III. MISCELLANEOUS AND CONFORMING PROVISIONS**

26 Section 3.1. Effective July 1, 1999, G.S. 131D-4.2(c) is repealed.

27 Section 3.2. G.S. 131D-4.2(h) reads as rewritten:

28 "(h) The report documentation shall be used to adjust the adult care home rate
29 annually, an adjustment that is in addition to the annual standard adjustment for inflation
30 as determined by the Office of State Budget and Management. Rates for family care
31 homes shall be based on market rate data. The ~~Department~~ Secretary of Health and
32 Human Services shall adopt rules for the rate-setting methodology and audited cost
33 reports in accordance with G.S. 143B-10."

34 Section 3.3. G.S. 131D-2(a) is amended by adding the following new
35 subdivision to read:

36 "(1f) 'Department' means the Department of Health and Human Services
37 unless some other meaning is clearly indicated from the context."

38 Section 3.4. G.S. 131D-2(a) is amended by adding the following new
39 subdivision to read:

40 "(12) 'Secretary' means the Secretary of Health and Human Services unless
41 some other meaning is clearly indicated from the context."

42 Section 3.5. Effective October 1, 1999, G.S. 143B-153(3) reads as rewritten:

- 1 "(3) The Social Services Commission shall have the power and duty to
2 establish and adopt standards:
- 3 a. For the inspection and licensing of maternity homes as provided
4 by G.S. 131D-1;
- 5 b. ~~For the inspection and licensing of adult care homes for aged or~~
6 ~~disabled persons as provided by G.S. 131D-2(b) and for~~
7 ~~personnel requirements of staff employed in adult care homes;~~
- 8 c. For the inspection and licensing of child-care institutions as
9 provided by G.S. 131D-10.5;
- 10 d. For the inspection and operation of jails or local confinement
11 facilities as provided by G.S. 153A-220 and Article 2 of Chapter
12 131D of the General Statutes of the State of North Carolina;
- 13 e. Repealed by Session Laws 1981, c. 562, s. 7.
- 14 f. For the regulation and licensing of charitable organizations,
15 professional fund-raising counsel and professional solicitors as
16 provided by Chapter 131D of the General Statutes of the State of
17 North Carolina."

18 Section 3.6. G.S. 143B-165(10) reads as rewritten:

19 "~~(10) The Commission shall have the power and duty to promulgate-adopt~~
20 ~~rules and regulations for the operation of nursing homes, as defined by~~
21 ~~G.S. 130-9(e)-Article 6 of Chapter 131E of the General Statutes."~~

22 Section 3.7. Effective October 1, 1999, G.S. 143B-165 is amended by adding
23 the following new subdivision to read:

24 "(13) The Commission shall have the power and duty to adopt rules for the
25 inspection and licensure of adult care homes and operation of adult care
26 homes, as defined by Article 1 of Chapter 131D of the General Statutes,
27 and for personnel requirements of staff employed in adult care homes,
28 except where rule-making authority is assigned to the Secretary."

29 Section 3.8. The Department of Health and Human Services shall establish and
30 maintain a provider file to record and monitor compliance histories of facilities, owners,
31 operators, and affiliates of nursing homes and adult care homes.

32 Section 3.9. The Department of Health and Human Services shall continue its
33 demonstration project testing whether the TEACCH model is a viable method for finding
34 and retaining competent staff for adult care homes and nursing homes.

35 Section 3.10. The Secretary of Health and Human Services shall adopt
36 temporary rules in accordance with Chapter 150B of the General Statutes to implement
37 G.S. 131D-4.5 as enacted by this act. The Secretary shall adopt temporary rules within
38 60 days of the date this act becomes law. The Secretary's authority to adopt temporary
39 rules to implement G.S. 131D-4.5 as enacted by this act expires on the date that
40 permanent rules adopted by the Medical Care Commission to implement G.S. 131D-4.5
41 as enacted by this act become effective.

42 Section 3.11. Part 14E of Article 3 of Chapter 143B of the General Statutes is
43 repealed.

1 Section 3.12. The Department of Health and Human Services shall recommend
2 to the North Carolina Study Commission on Aging a more efficient system of regulatory
3 administration for adult care homes that delineates clear authority and streamlines
4 government functions. The Department shall report its recommendations to the North
5 Carolina Study Commission on Aging on or before February 1, 2000. The North Carolina
6 Study Commission on Aging shall review the Department's recommendations and shall
7 make recommendations to the General Assembly on or before May 1, 2000.

8 Section 3.13. The North Carolina Study Commission on Aging shall study the
9 following:

- 10 (1) Establishment of a licensing fee as a source of revenue for monitoring,
11 staffing, and temporary management of adult care homes.
- 12 (2) The need for licensure of adult care home administrators, separate from
13 the licensure of adult care facilities.
- 14 (3) The lack of uniformity, accountability, and central authority in the
15 current regulatory system and how this impacts on care delivery and
16 quality of life for adult care home residents.

17 The Commission shall report its findings and recommendations to the General
18 Assembly on or before May 1, 2000.

19 Section 3.14. The Joint Legislative Health Care Oversight Committee shall
20 study whether the Health Care Personnel Registry is working effectively and shall
21 recommend any changes needed to improve its effectiveness. In conducting its study, the
22 Committee shall consider the following:

- 23 (1) The extent to which employers of health care personnel subject to listing
24 in the Registry are complying with statutory requirements to report
25 incidents to the Registry.
- 26 (2) The extent to which employers of health care personnel subject to listing
27 in the Registry are contacting the Registry before making hiring
28 decisions to ascertain if applicants are listed in the Registry.
- 29 (3) Whether the scope of the Registry should be expanded to cover other
30 types of health care personnel or health care facilities.
- 31 (4) Other issues relating to the Health Care Personnel Registry and its
32 purpose.

33 The Health Care Oversight Committee shall report its findings and
34 recommendations to the General Assembly on or before May 1, 2000.

35 Section 3.15. This act is effective when it becomes law.