

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 248\*  
Committee Substitute Favorable 6/7/07**

Short Title: ACH Rated Certificate Authorization/Funds.

(Public)

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Sponsors:

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Referred to:

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February 19, 2007

A BILL TO BE ENTITLED

1  
2 AN ACT TO AUTHORIZE THE MEDICAL CARE COMMISSION TO ADOPT  
3 RULES ALLOWING THE ISSUANCE OF RATED CERTIFICATES TO ADULT  
4 CARE HOMES, TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN  
5 SERVICES TO STUDY RELATED ISSUES, AND TO APPROPRIATE FUNDS  
6 TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION  
7 OF FACILITY SERVICES, FOR ADDITIONAL POSITIONS AND DATABASE  
8 ENHANCEMENT TO SUPPORT THE PROGRAM.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.(a)** G.S. 131D-4.5 reads as rewritten:

11 **"§ 131D-4.5. Rules adopted by Medical Care Commission.**

12 The Medical Care Commission shall adopt rules as follows:

- 13 (1) Establishing minimum medication administration standards for adult  
14 care homes. The rules shall include the minimum staffing and training  
15 requirements for medication aides and standards for professional  
16 supervision of adult care homes' medication controls. The  
17 requirements shall be designed to reduce the medication error rate in  
18 adult care homes to an acceptable level. The requirements shall  
19 include, but need not be limited to, all of the following:
- 20 a. Training for medication aides, including periodic refresher  
21 training.
  - 22 b. Standards for management of complex medication regimens.
  - 23 c. Oversight by licensed professionals.
  - 24 d. Measures to ensure proper storage of medication.
- 25 (2) Establishing training requirements for adult care home staff in  
26 behavioral interventions. The training shall include appropriate  
27 responses to behavioral problems posed by adult care residents. The  
28 training shall emphasize safety and humane care and shall specifically  
29 include alternatives to the use of restraints.

- 1 (3) Establishing minimum training and education qualifications for  
2 supervisors in adult care homes and specifying the safety  
3 responsibilities of supervisors.
- 4 (4) Specifying the qualifications of staff who shall be on duty in adult care  
5 homes during various portions of the day in order to assure safe and  
6 quality care for the residents. The rules shall take into account varied  
7 resident needs and population mixes.
- 8 (5) Implementing the due process and appeal rights for discharge and  
9 transfer of residents in adult care homes afforded by G.S. 131D-21.  
10 The rules shall offer at least the same protections to residents as State  
11 and federal rules and regulations governing the transfer or discharge of  
12 residents from nursing homes.
- 13 (6) Establishing procedures for determining the compliance history of  
14 adult care homes' principals and affiliates. The rules shall include  
15 criteria for refusing to license facilities which have a history of, or  
16 have principals or affiliates with a history of, noncompliance with  
17 State law, or disregard for the health, safety, and welfare of residents.
- 18 (7) For the licensure of special care units in accordance with  
19 G.S. 131D-4.6, and for disclosures required to be made under  
20 G.S. 131D-8.
- 21 (8) For time limited provisional licenses and for granting extensions for  
22 provisional licenses.
- 23 (9) For the issuance of certificates to adult care homes which shall contain  
24 a rating based, at a minimum, on the following:
- 25 a. Inspections and substantiated complaint investigations  
26 conducted by the Department to determine compliance with  
27 licensing statutes and rules. Specific areas to be reviewed  
28 include:
- 29 1. Admission and discharge procedures.  
30 2. Medication management.  
31 3. Physical plant.  
32 4. Resident care and services, including food services,  
33 resident activities programs, and safety measures.  
34 5. Residents' rights.  
35 6. Sanitation grade.  
36 7. Special Care Units.  
37 8. Use of physical restraints and alternatives."

38 **SECTION 1.(b)** The initial ratings awarded to a facility pursuant to the rules  
39 adopted under this section shall be based on inspections, penalties imposed, and  
40 investigations of substantiated complaints that revealed noncompliance with statutes  
41 and rules, that occurred on or after the act becomes law.

42 **SECTION 1.(c)** Type A penalties shall affect the rating for 24 months from  
43 the date the penalty is assessed. Type B penalties shall affect the rating for 12 months  
44 from the date the penalty is assessed.

1           **SECTION 1.(d)** In the event of a change in ownership of an adult care  
2 home, the home shall be reevaluated within six months of the change in ownership to  
3 determine its rating.

4           **SECTION 1.(e)** Adult care homes shall post the rating certificate in a  
5 location visible to the public. Certificates shall include the Web site address for the  
6 Department of Health and Human Services, Division of Facility Services, which can be  
7 accessed for specific information regarding the basis of the facility rating. For access  
8 by the public on request, adult care homes shall also maintain on-site a copy of  
9 information provided by the Department of Health and Human Services, Division of  
10 Facility Services, regarding the basis of the facility rating. In addition to information on  
11 the basis of the rating, the Department of Health and Human Services, Division of  
12 Facility Services, shall make information available via its Web site and in the materials  
13 available on-site at the facility regarding quality improvement efforts undertaken by the  
14 facility including:

- 15           (1) Participation in any quality improvement programs approved by the  
16           Department.
- 17           (2) The facility's attainment of the North Carolina New Organizational  
18           Vision Award special licensure designation authorized in Article 5,  
19           Chapter 131E of the General Statutes.

20           **SECTION 1.(f)** The proposed rules adopted pursuant to this section shall not  
21 go into effect until the Department of Health and Human Services has reported on the  
22 proposed rules to the North Carolina Study Commission on Aging. The Department of  
23 Health and Human Services shall report on the proposed rules to the North Carolina  
24 Study Commission on Aging not later than January 1, 2008.

25           **SECTION 2.(a)** The Department of Health and Human Services, Division of  
26 Facility Services, shall study the following:

- 27           (1) The structure and cost of a system to reward adult care homes which  
28           receive high ratings.
- 29           (2) The development of a quality improvement program to provide  
30           technical assistance targeted to facilities that receive low ratings.

31           The Department shall report findings and recommendations on this study to  
32 the North Carolina Study Commission on Aging not later than March 1, 2008.

33           **SECTION 2.(b)** The Department of Health and Human Services, Division  
34 of Facility Services and Division of Aging and Adult Services shall study expanding the  
35 rated certificate system to other facilities and services licensed and certified by the  
36 Department. The Department shall report to the North Carolina Study Commission on  
37 Aging on the expansion of the rating system by October 1, 2009.

38           **SECTION 2.(c)** The Department of Health and Human Services, Division of  
39 Facility Services, shall report on the implementation of the rated certificate system. The  
40 Department shall make an interim report to the North Carolina Study Commission on  
41 Aging not later than October 1, 2009, and a final report to the Commission not later than  
42 October 1, 2010.

43           **SECTION 3.** There is appropriated from the General Fund to the  
44 Department of Health and Human Services, Division of Facility Services, the sum of

1 one hundred fifty-three thousand dollars (\$153,000) for the 2007-2008 fiscal year and  
2 the sum of one hundred eight thousand dollars (\$108,000) for the 2008-2009 fiscal year.  
3 These funds shall be used to implement the Star Rating Program in accordance with  
4 Section 1 of this act, including two new positions and enhancement and maintenance of  
5 a database for the Program.

6 **SECTION 4.** Section 1 of this act is effective when it becomes law and  
7 requires the issuance of certificates beginning January 1, 2009. Section 3 of this act  
8 becomes effective July 1, 2007. The remainder of this act is effective when it becomes  
9 law.