

**ASSEMBLY BILL**

**No. 829**

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**Introduced by Assembly Member Cohn**

February 22, 2001

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An act to amend Sections 1570.7, 1572, 1572.9, 1574.5, 1581.5, and 1588.7 of, and to add Sections 1578, 1578.1, and 1579 to, the Health and Safety Code, and to amend Sections 14552, 14553, 14554, 14571, 14573, 14575, and 14576 of, and to repeal Sections 14552.1, 14552.2, and 14580 of, the Welfare and Institutions Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 829, as introduced, Cohn. Adult day health care providers.

Existing law provides for the implementation of adult day health care center oversight by the State Department of Social Services, and authorizes that department to enter into an interagency agreement with the California Department of Aging for the administration of that program.

Existing law establishes standards for certification as an adult day health care provider and adult day health care center licensing and certification requirements.

This bill would revise those standards to allow the substitution of work experience for academic requirements for certain positions licensing and certification requirements. The bill would also require a provider or applicant to submit a facility program plan for providing adult day health care services that includes certain elements.

This bill would also recast and make technical, clarifying changes to those provisions with respect to the administration of the program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1570.7 of the Health and Safety Code  
 2 is amended to read:  
 3 1570.7. As used in this chapter:  
 4 (a) “Adult day health care” means an organized day program  
 5 of therapeutic, social, and health activities and services provided  
 6 pursuant to this chapter to elderly persons with functional  
 7 impairments, either physical or mental, for the purpose of  
 8 restoring or maintaining optimal capacity for self-care. Provided  
 9 on a short-term basis, adult day health care serves as a transition  
 10 from a health facility or home health program to personal  
 11 independence. Provided on a long-term basis, it serves as an option  
 12 to institutionalization in long-term health care facilities, when  
 13 24-hour skilled nursing care is not medically necessary or viewed  
 14 as desirable by the recipient or his or her family.  
 15 (b) “Adult day health center” or “adult day health care center”  
 16 means a licensed and certified facility which provides adult day  
 17 health care.  
 18 (c) “Elderly” or “older person” means a person 55 years of  
 19 age or older, but also includes other adults who are chronically ill  
 20 or impaired and who would benefit from adult day health care.  
 21 (d) “Individual plan of care” means a plan designed to provide  
 22 recipients of adult health care with appropriate treatment in  
 23 accordance with the assessed needs of each individual.  
 24 (e) “License” means a basic permit to operate an adult day  
 25 health care center. With respect to a health facility licensed  
 26 pursuant to Chapter 2 (commencing with Section 1250), “license”  
 27 means a special permit, as defined by Section 1251.5, empowering  
 28 the health facility to provide adult day health care services.  
 29 (f) “Maintenance program” means procedures and exercises  
 30 that are provided to a participant, pursuant to Section 1580, in  
 31 order to generally maintain existing function. These procedures  
 32 and exercises are planned by a licensed or certified therapist and  
 33 are provided by a person who has been trained by a licensed or  
 34 certified therapist and who is directly supervised by a nurse or by  
 35 a licensed or certified therapist.  
 36 (g) “Planning council” or “council” means an adult day health  
 37 care planning council established pursuant to Section 1572.5.



1 (h) “Restorative therapy” means physical, occupational, and  
2 speech therapy, and psychiatric and psychological services, that  
3 are planned and provided by a licensed or certified therapist. The  
4 therapy and services may also be provided by an assistant or aide  
5 under the appropriate supervision of a licensed therapist, as  
6 determined by the licensed therapist. The therapy and services are  
7 provided to restore function, when there is an expectation that the  
8 condition will improve significantly in a reasonable period of  
9 time, as determined by the multidisciplinary assessment team.

10 (i) “Committee” means the Long-Term Care Committee  
11 established pursuant to Section 1572.

12 (j) “Department” or “state department” means ~~the California~~  
13 ~~Department of Aging or the State Department of Health Services~~  
14 ~~as specified in the interagency agreement between the two~~  
15 ~~departments.~~

16 SEC. 2. Section 1572 of the Health and Safety Code is  
17 amended to read:

18 1572. (a) The functions and duties of the State Department of  
19 Health Services provided for under this chapter shall be performed  
20 by the California Department of Aging commencing on the date  
21 those functions are transferred from the State Department of  
22 Health Services to the California Department of Aging. The  
23 authority, functions, and responsibility for the administration of  
24 the adult day health care program by the California Department of  
25 Aging and the State Department of Health Services shall be  
26 defined in an interagency agreement between the two departments  
27 that specifies how the departments will work together.

28 (b) The interagency agreement shall specify that the California  
29 Department of Aging is designated by the state department as the  
30 agency responsible for community long-term care programs. At a  
31 minimum, the interagency agreement shall clarify each  
32 department’s responsibilities on issues involving licensure and  
33 certification of adult day health care providers, payment of adult  
34 day health care claims, prior authorization of services,  
35 promulgation of regulations, and development of adult day health  
36 care Medi-Cal rates. In addition, this agreement shall specify that  
37 the California Department of Aging is responsible for making  
38 recommendations to the State Department of Health Services  
39 regarding licensure as specified in subdivision (h). The  
40 interagency agreement shall specify that the State Department of



1 Health Services shall delegate to the California Department of  
2 Aging the responsibility of performing the financial and cost  
3 report audits and the resolution of audit appeals which are  
4 necessary to ensure program integrity. This agreement shall also  
5 include provisions whereby the State Department of Health  
6 Services and the California Department of Aging shall collaborate  
7 in the development and implementation of health programs and  
8 services for older persons and functionally impaired adults.

9 (c) As used in this chapter, “director” ~~shall refer to the Director~~  
10 ~~of the California Department of Aging or means the Director of the~~  
11 ~~State Department of Health Services as specified in the~~  
12 ~~interagency agreement.~~

13 (d) (1) A Long-Term Care Committee is hereby established in  
14 the California Department of Aging. The committee shall include,  
15 but not be limited to, a member of the California Commission on  
16 Aging, who shall be a member of the Long-Term Care Committee  
17 of the commission, a representative of the California Association  
18 for Adult Day Services, a representative of the California  
19 Association of Area Agencies on Aging, a representative of the  
20 California Conference of Local Health Officers, a member of a  
21 local adult day health care planning council, nonprofit  
22 representatives and professionals with expertise in Alzheimer’s  
23 disease or a disease of a related disorder, a member of the  
24 California Coalition of Independent Living Centers, and  
25 representatives from other appropriate state departments,  
26 including the State Department of Health Services, the State  
27 Department of Social Services, the State Department of Mental  
28 Health, the State Department of Developmental Services and the  
29 State Department of Rehabilitation, as deemed appropriate by the  
30 Director of the California Department of Aging. At least one  
31 member shall be a person over 60 years of age.

32 (2) The committee shall function as an advisory body to the  
33 California Department of Aging and advise the Director of the  
34 California Department of Aging regarding development of  
35 community-based long-term care programs. This function shall  
36 also include advice to the Director of the California Department  
37 of Aging for recommendations to the ~~State Department of Health~~  
38 ~~Services~~ *department* on licensure, Medi-Cal reimbursement, and  
39 utilization control issues.



1 (3) The committee shall be responsible for the reviewing of  
2 new programs under the jurisdiction of the ~~department~~ *California*  
3 *Department of Aging*.

4 (4) The committee shall assist the Director of the California  
5 Department of Aging in the development of procedures and  
6 guidelines for new contracts or grants, as well as review and make  
7 recommendations on applicants. The committee shall take into  
8 consideration the desirability of coordinating and utilizing  
9 existing resources, avoidance of duplication of services and  
10 inefficient operations, and locational preferences with respect to  
11 accessibility and availability to the economically disadvantaged  
12 older person.

13 (e) The California Department of Aging shall prepare  
14 guidelines for adoption by the local planning councils setting forth  
15 principles for evaluation of community need for adult day health  
16 care, which shall take into consideration the desirability of  
17 coordinating and utilizing existing resources, avoidance of  
18 duplication of services and inefficient operations, and locational  
19 preferences with respect to accessibility and availability to the  
20 economically disadvantaged older person.

21 (f) The California Department of Aging shall review county  
22 plans submitted pursuant to Section 1572.9. These county plans  
23 shall be approved if consistent with the guidelines adopted by the  
24 director pursuant to subdivision (e).

25 (g) The Director of the California Department of Aging shall  
26 make recommendations regarding licensure to the Licensing and  
27 Certification Division in the State Department of Health Services.  
28 The recommendation shall be based on all of the following criteria:

29 (1) An evaluation of the ability of the applicant to provide adult  
30 day health care in accordance with the requirements of this chapter  
31 and regulations adopted hereunder.

32 (2) Compliance with the local approved plan.

33 (3) Other criteria that the director deems necessary to protect  
34 public health and safety.

35 (h) A public hearing on each individual proposal for an adult  
36 day health care center may be held by the department in  
37 conjunction with the local adult day health care council in the  
38 county to be served. A hearing shall be held if requested by a local  
39 adult day health care council. In order to provide the greatest



1 public input, the hearing should preferably be held in the service  
2 area to be served.

3 SEC. 3. Section 1572.9 of the Health and Safety Code is  
4 amended to read:

5 1572.9. Each planning council approved by the director as  
6 meeting the compositional requirements of Section 1572.5 shall  
7 adopt an adult day health care plan for the county or counties  
8 represented by the council. The plan shall be consistent with the  
9 state guidelines adopted pursuant to subdivision (a) of Section  
10 1572 and may include the council's recommendations respecting  
11 providers initially determined to be suitable for approval as adult  
12 day health care centers. Such initial recommendations shall not  
13 bind the council with respect to future consideration of individual  
14 applications for licensure.

15 Prior to adopting the plan, the council shall hold a hearing or  
16 hearings thereon at which public comment shall be received and  
17 considered. The hearing or hearings shall be noticed in advance in  
18 the manner prescribed by the state department. The number of  
19 hearings shall be determined by the state department in  
20 consultation with the local planning council. The plan shall  
21 become effective when approved by the ~~state review committee~~  
22 *Long-term Care Committee*.

23 SEC. 4. Section 1574.5 of the Health and Safety Code is  
24 amended to read:

25 1574.5. (a) All adult day health *care* centers shall maintain  
26 compliance with licensing and certification requirements. These  
27 requirements shall not prohibit program flexibility for the use of  
28 alternate concepts, methods, procedures, techniques, equipment,  
29 number and qualifications of personnel, or the conducting of pilot  
30 projects, if these alternatives or pilot projects are carried out with  
31 provisions for safe and adequate care and with the prior written  
32 approval of the state department. This approval shall provide for  
33 the terms and conditions under which permission to use an  
34 alternative or pilot program is granted. ~~A written request and~~  
35 ~~substantiating evidence supporting the request shall be submitted~~  
36 ~~by the applicant or licensee to the state department.~~ Particular  
37 attention shall be given to encourage the development of models  
38 appropriate to rural areas.



1 ~~Any~~ The department may allow the substitution of work  
2 experience for academic requirements for the position of  
3 administrator, program director, or activity coordinator.

4 (b) The applicant or licensee may submit a written request to  
5 the department for program flexibility and, shall, submit, with the  
6 request, substantiating evidence supporting the request.

7 (c) Any approval by the ~~state~~ department granted under this  
8 section, or a true copy thereof, shall be posted immediately  
9 adjacent to the center's license.

10 SEC. 5. Section 1578 is added to the Health and Safety Code,  
11 to read:

12 1578. A provider may share space with another licensed  
13 health facility, community care facility, senior center, or other  
14 appropriate structure, upon the approval of the department, based  
15 upon a determination of all of the following:

16 (a) The use of the shared space does not jeopardize the welfare  
17 of the participant or other clients.

18 (b) The shared use does not exceed occupancy capacity  
19 established for fire safety.

20 (c) The space used by the adult day health care center is not  
21 essential to meet the other program's licensing requirements.

22 (d) Each entity schedules services and activities at separate  
23 times. This subdivision shall not apply to space used for meals or  
24 for space used by another licensed adult day services program.

25 For purposes of this section, "shared space" means the mutual  
26 use of exits and entrances, offices, hallways, bathrooms, treatment  
27 rooms, and dining rooms by an adult day health care center and  
28 another program.

29 SEC. 6. Section 1578.1 is added to the Health and Safety  
30 Code, to read:

31 1578.1. (a) Notwithstanding subdivisions (b) and (c) of  
32 Section 1570.7 or any other provision of law, if an adult day health  
33 care center licensee also provides adult day care or adult day  
34 support center services, the adult day health care license shall be  
35 the only license required to provide these additional services.  
36 Costs shall be allocated among the programs in accordance with  
37 generally accepted accounting practices.

38 (b) The department, unless otherwise specified in the  
39 interagency agreement specified in Section 1572 shall evaluate the  
40 adult day care or adult day support center services provided for in



1 subdivision (a) for quality of care and compliance with program  
2 requirements, concurrent with inspections of the adult day health  
3 care facility, using a single survey process.

4 (c) The department and the California Department of Aging  
5 shall jointly develop and adopt regulations pursuant to Section  
6 1580 for the provision of different levels of care under the single  
7 adult day health care license. (Amended by Stats. 1998, Ch. 151,  
8 Sec. 15. Effective January 1, 1999.)

9 SEC. 7. Section 1579 is added to the Health and Safety Code,  
10 to read:

11 1579. (a) A rural alternative adult day health care center shall  
12 operate its programs a minimum of three days weekly, unless the  
13 program can justify, to the satisfaction of the department, fewer  
14 days of operation due to space, staff, financial, or participant  
15 reasons.

16 (b) Programs desiring to become a parent center and develop  
17 a satellite program may be located in a service area that does not  
18 meet the population requirements of the rural service areas and  
19 need not be in the same county as a satellite. The satellite shall be  
20 located in an area that meets the population requirements of a rural  
21 service area, and shall be located within a reasonable distance of  
22 the parent center to allow sharing of administration, services, and  
23 supervision. Parent and satellite centers shall be located in the  
24 same licensing district office.

25 (c) Notwithstanding any other provision of law, the  
26 administrator or program director of a parent center may, with the  
27 approval of the department, serve as the administrator or program  
28 director for up to three additional satellite sites.

29 (d) For the purposes of this section, the following definitions  
30 apply:

31 (1) "Parent" means a licensed and certified adult day health  
32 care center that establishes one or more satellites. A satellite may  
33 be in the county of the parent or rural service areas. The parent  
34 center shall provide administration, supervision, and, with the  
35 approval of the department, may share services and staff with one  
36 or more satellite centers. The parent center's license and  
37 certification shall cover adult day health care services at one or  
38 more satellites.

39 (2) "Rural alternative adult day health care center" means an  
40 adult day health care center located in a rural service area.



1 (3) “Rural service area” means any identified service area in  
2 an approved adult day health care county plan with 200 or less  
3 estimated adult day health care eligible population and with two  
4 or more of the following characteristics:

5 (A) Is more than one-half hour direct driving time from an  
6 urban area of 50,000 population or more.

7 (B) Has no other adult day health care center within one-half  
8 hour direct driving time.

9 (C) Has geographic or climatic barriers, including, but not  
10 limited to, snow, fog, ice, mountains, inadequate highways, or  
11 weather, that makes transportation to another adult day health care  
12 center impractical.

13 (D) Is located in a county with an overall population density of  
14 less than 100 persons per square mile.

15 (E) Can demonstrate in the application for licensure that a  
16 shortage of qualified professionals exists in the county or service  
17 area.

18 (4) “Satellite” means an adult day health care center  
19 established in a rural service area by an existing licensed and  
20 certified adult day health care center for the purposes of extending  
21 rural adult day health care services to another location. A satellite  
22 shall be located close enough to the adult day health center so that  
23 administration, supervision, and services may be shared in a  
24 manner that does not compromise care and makes it unnecessary  
25 for the satellite to be separately licensed. Each satellite shall meet  
26 fire and life safety regulations and laws. Prior approval from the  
27 department is required before operating or opening a satellite.

28 SEC. 8. Section 1581.5 of the Health and Safety Code is  
29 amended to read:

30 1581.5. Any duly authorized officer, employee, or agent of  
31 the ~~state~~ department *or the California Department of Aging* may,  
32 upon presentation of proper identification, enter and inspect any  
33 place providing adult day health care at any time, with or without  
34 advance notice, to secure compliance with, or to prevent a  
35 violation of, any provision of this chapter or any regulation  
36 adopted hereunder.

37 SEC. 9. Section 1588.7 of the Health and Safety Code is  
38 amended to read:

39 1588.7. (a) The ~~state~~ department, *unless otherwise specified*  
40 *in the interagency agreement entered into pursuant to Section*



1 1572, shall adopt specific guidelines for the establishment of  
2 grant-supported activities, including criteria for evaluation of each  
3 activity and monitoring to assure compliance with grant  
4 conditions and applicable regulations of the state department. The  
5 guidelines shall be developed in consultation with the Long-Term  
6 Care Committee. Funds shall be awarded only after the local adult  
7 day health care planning council has had opportunity to review and  
8 comment on the applicant's proposal pursuant to guidelines  
9 established for these grants and is approved by the state  
10 department, *unless otherwise specified in the interagency*  
11 *agreement entered into pursuant to Section 1572.* If an area does  
12 not have an active planning council, the department may exempt  
13 the applicant from local planning council review.

14 (b) The state department shall develop a contract with each  
15 selected project.

16 SEC. 10. Section 14552 of the Welfare and Institutions Code  
17 is amended to read:

18 14552. In order to obtain certification as a provider of adult  
19 day health care under this chapter and Chapter 7 (commencing  
20 with Section 14000), the following standards shall be met:

21 (a) The provider shall have met all other requirements of  
22 licensure as an adult day health center pursuant to Chapter 3.5  
23 (commencing with Section 1570) of Division 2 of the Health and  
24 Safety Code.

25 (b) The provider shall comply with requirements of this  
26 chapter regarding program and scope of services.

27 (c) The provider shall have appropriate licensed personnel.

28 (d) The provider shall employ allied health and social personnel  
29 for furnishing of services consistent with good medical practice.

30 (e) A provider serving a substantial number of participants of  
31 a particular racial group, or whose primary language is other than  
32 English, shall employ staff of that particular racial or linguistic  
33 group at all times.

34 (f) A provider shall have organizational and administrative  
35 capacity to provide services under provisions of this chapter.

36 ~~(g) The Department of Aging may allow the substitution of~~  
37 ~~work experience for academic requirements for the position of~~  
38 ~~administrator, program director, or activity coordinator.~~ (1) A  
39 provider or applicant shall submit for review by the California



1 Department of Aging a facility program plan for providing adult  
2 day health care services.

3 (2) The program plan shall be developed, submitted, and  
4 approved prior to initial licensure and certification, prior to any  
5 change in the specialty or specific population to be served, or as  
6 required by the California Department of Aging. The facility  
7 program plan shall include all of the following:

8 (A) The number of participants to be served.

9 (B) A profile of the client population that addresses specific  
10 needs of the population, including, but not limited to, frail elderly  
11 or specialization in a particular disability.

12 SEC. 11. Section 14552.1 of the Welfare and Institutions  
13 Code is repealed.

14 ~~14552.1.— A provider may share space with another licensed~~  
15 ~~health facility, community care facility, senior center, or other~~  
16 ~~appropriate structure, upon the approval of the Department of~~  
17 ~~Aging, based upon a determination of all of the following:~~

18 ~~(a) The use of the shared space does not jeopardize the welfare~~  
19 ~~of the participant or other clients.~~

20 ~~(b) The shared use does not exceed occupancy capacity~~  
21 ~~established for fire safety.~~

22 ~~(c) The space used by the adult day health center is not essential~~  
23 ~~to meet the other program’s licensing requirements.~~

24 ~~(d) Each entity schedules services and activities at separate~~  
25 ~~times. This subdivision does not apply to space used for meals or~~  
26 ~~for space used by another licensed adult day services program.~~

27 ~~For purposes of this section, “shared space” means the mutual~~  
28 ~~use of exits and entrances, offices, hallways, bathrooms, treatment~~  
29 ~~rooms, and dining rooms by an adult day health center and another~~  
30 ~~program.~~

31 SEC. 12. Section 14552.2 of the Welfare and Institutions  
32 Code is repealed.

33 ~~14552.2.— (a) Notwithstanding subdivisions (b) and (c) of~~  
34 ~~Section 1570.7 of the Health and Safety Code or any other~~  
35 ~~provision of law, if an adult day health care center licensee also~~  
36 ~~provides adult day care or adult day support center services, the~~  
37 ~~adult day health care license shall be the only license required to~~  
38 ~~provide these additional services. Costs shall be allocated among~~  
39 ~~the programs in accordance with generally accepted accounting~~  
40 ~~practices.~~



1 ~~(b) The department shall evaluate the adult day care or adult~~  
2 ~~day support center services provided for in subdivision (a) for~~  
3 ~~quality of care and compliance with program requirements,~~  
4 ~~concurrent with inspections of the adult day health care facility,~~  
5 ~~using a single survey process.~~

6 ~~(c) The department and the California Department of Aging~~  
7 ~~shall jointly develop and adopt regulations pursuant to Section~~  
8 ~~1580 of the Health and Safety Code for the provision of different~~  
9 ~~levels of care under the single adult day health care license.~~

10 SEC. 13. Section 14553 of the Welfare and Institutions Code  
11 is amended to read:

12 14553. An adult day health care provider shall establish  
13 written policies and procedures, which shall have prior approval  
14 of the department, *unless otherwise specified in an interagency*  
15 *agreement entered into pursuant to Section 1572 of the Health and*  
16 *Safety Code*, for continuously reviewing the quality of care,  
17 performance of all personnel, the utilization of services and  
18 facilities, and costs. Information derived from ~~such~~ *the* review  
19 shall be made available to the department, *unless otherwise*  
20 *specified in an interagency agreement entered into pursuant to*  
21 *Section 1572 of the Health and Safety Code.*

22 SEC. 14. Section 14554 of the Welfare and Institutions Code  
23 is amended to read:

24 14554. The adult day health care provider shall maintain a  
25 complete standard medical record for each participant, including  
26 records of treatment rendered by a subcontractor, according to  
27 specifications established by the department, *unless otherwise*  
28 *specified in an interagency agreement entered into pursuant to*  
29 *Section 1572 of the Health and Safety Code.*

30 SEC. 15. Section 14571 of the Welfare and Institutions Code  
31 is amended to read:

32 14571. The State Department of Health Services, in  
33 consultation with the California Association ~~of~~ *for* Adult Day  
34 Services, shall develop a rate methodology. The methodology  
35 shall take into consideration all allowable costs associated with  
36 providing adult day health care services. Once a methodology has  
37 been approved by the department, it shall be the basis of future  
38 annual rate reviews.

39 Payment shall be for services provided in accordance with an  
40 approved individual plan of care. Billing shall be submitted



1 directly to the department. Additionally, the department shall  
2 establish a reasonable rate of reimbursement for the initial  
3 assessment.

4 Nothing in this section shall preclude the department from  
5 entering into specific prospective budgeting and reimbursement  
6 agreements with providers.

7 SEC. 16. Section 14573 of the Welfare and Institutions Code  
8 is amended to read:

9 14573. (a) Initial Medi-Cal certification for adult day health  
10 care providers shall expire 12 months from the date of issuance.  
11 The Director of Health Services shall specify ~~such~~ any date as he  
12 or she determines is reasonably necessary because of the record of  
13 the applicant and to carry out the purposes of this chapter, but not  
14 more than 24 months from the date of issuance, when renewal of  
15 ~~such~~ the certification shall expire. ~~Before~~ *The certification may be*  
16 *extended for a period of not more than 60 days if the department*  
17 *determines it to be necessary.*

18 (b) *Before* certification renewal the provider shall submit with  
19 the application therefor a report according to department  
20 specifications ~~which~~ that includes an analysis of income and  
21 expenditures, continued demonstrated community need, services,  
22 participant statistics and outcome, and adherence to policies and  
23 procedures. ~~Prior~~

24 (c) *Prior* to approving renewal of Medi-Cal certification, the  
25 department *and the California Department of Aging* shall conduct  
26 an onsite financial, medical, and management ~~audit~~ review  
27 concurrent with the licensing review. ~~Such~~ *The* review shall be  
28 conducted by a team of persons with appropriate technical skills.  
29 The management ~~audit~~ reviews shall be performed by the  
30 ~~departmental~~ entity responsible for directing and coordinating the  
31 program, *as specified in the interagency agreement entered into*  
32 *pursuant to Section 1572 of the Health and Safety Code.*

33 ~~Where~~

34 (d) *Where* the director determines that the public interests  
35 would be served thereby, a public hearing may be held on any ~~such~~  
36 renewal application *subject to this section.* The findings of the  
37 departmental program and licensing review and the provider's  
38 annual evaluation report shall be presented at the hearing.

39 SEC. 17. Section 14575 of the Welfare and Institutions Code  
40 is amended to read:



1 14575. Each adult day health care provider shall maintain a  
2 uniform accounting and reporting system as developed by the  
3 department, in consultation with the provider. The department  
4 shall implement a uniform cost accounting system and train  
5 providers in this system by July 1, 1987. The Department of  
6 Aging, in coordination with the department may approve an  
7 alternative cost accounting system where the provider  
8 demonstrates the ability to report comparable and reliable data.  
9 The provider shall submit annual cost reports to the department,  
10 *unless otherwise specified in an interagency agreement entered*  
11 *into pursuant to Section 1572 of the Health and Safety Code, no*  
12 *later than five months after the close of the licensee's fiscal year.*  
13 The report shall be submitted in the format prescribed by the state.  
14 Each facility shall maintain, for a period of three years following  
15 the submission of annual cost reports, financial and statistical  
16 records of the period covered by the cost reports which are  
17 accurate and in sufficient detail to substantiate the cost data  
18 reported. These records shall be made available to state or federal  
19 representatives upon request. The department, *unless otherwise*  
20 *specified in an interagency agreement entered into pursuant to*  
21 *Section 1572 of the Health and Safety Code, may request a*  
22 financial review performed by an independent certified public  
23 accountant as part of the provider's annual cost report. All certified  
24 financial statements shall be filed with the department within a  
25 period no later than three months after the department's request.  
26 The department may require a limited or complete certified public  
27 accountant audit when the monitoring activities carried out  
28 pursuant to Section 14573 reveal significant financial  
29 management deficiencies.

30 SEC. 18. Section 14576 of the Welfare and Institutions Code  
31 is amended to read:

32 14576. Each adult day health care provider shall furnish to the  
33 department ~~such~~, *unless otherwise specified by the interagency*  
34 *agreement entered into pursuant to Section 1572 of the Health and*  
35 *Safety Code, all additional information and reports as that* the  
36 department may find necessary in performing its functions under  
37 this chapter. ~~Such~~ *The* information and reports shall include, but  
38 not be limited to, *any* statistical information regarding utilization  
39 of services, individual treatment plans and individual service



1 reports, costs of health care, and administration as the department  
2 may require.

3 SEC. 19. Section 14580 of the Welfare and Institutions Code  
4 is repealed.

5 ~~14580. (a) A rural alternative adult day health care center~~  
6 ~~shall operate its programs a minimum of three days weekly unless~~  
7 ~~the program can justify, to the satisfaction of the department, fewer~~  
8 ~~days of operation due to space, staff, financial, or participant~~  
9 ~~reasons.~~

10 ~~(b) Programs desiring to become a parent center and develop~~  
11 ~~a satellite program may be located in a service area which does not~~  
12 ~~meet the population requirements of the rural service areas and~~  
13 ~~need not be in the same county as a satellite. The satellite shall be~~  
14 ~~located in an area that meets the population requirements of a rural~~  
15 ~~service area and shall be located within a reasonable distance of the~~  
16 ~~parent center to allow sharing of administration, services, and~~  
17 ~~supervision. Parent and satellite centers shall be located in the~~  
18 ~~same licensing district office.~~

19 ~~(c) Notwithstanding any other provision of law, the~~  
20 ~~administrator or program director of a parent center may, with the~~  
21 ~~approval of the department, serve as the administrator or program~~  
22 ~~director for up to three additional satellite sites.~~

23 ~~(d) For the purposes of this section, the following definitions~~  
24 ~~apply:~~

25 ~~(1) "Parent" means a licensed and certified adult day health~~  
26 ~~center which establishes one or more satellites. A satellite may be~~  
27 ~~in the county of the parent or rural service areas. The parent center~~  
28 ~~provides administration, supervision, and, with the approval of the~~  
29 ~~department, may share services and staff with one or more satellite~~  
30 ~~centers. The parent's license and certification covers adult day~~  
31 ~~health care services at one or more satellites.~~

32 ~~(2) "Rural alternative adult day health care center" means an~~  
33 ~~adult day health center located in a rural service area.~~

34 ~~(3) "Rural service area" means any identified service area in~~  
35 ~~an approved adult day health care county plan with 200 or less~~  
36 ~~estimated adult day health care eligible population and with two~~  
37 ~~or more of the following characteristics:~~

38 ~~(A) Is more than one half hour direct driving time from an~~  
39 ~~urban area of 50,000 population or more.~~



- 1     ~~(B) Has no other adult day health center within one-half hour~~  
2 ~~direct driving time.~~
- 3     ~~(C) Has geographic or climatic barriers, including, but not~~  
4 ~~limited to, snow, fog, ice, mountains, inadequate highways, or~~  
5 ~~weather, which makes transportation to another adult day health~~  
6 ~~center impractical.~~
- 7     ~~(D) Is located in a county with an overall population density of~~  
8 ~~less than 100 persons per square mile.~~
- 9     ~~(E) Can demonstrate in the application for licensure that a~~  
10 ~~shortage of qualified professionals exists in the county or service~~  
11 ~~area.~~
- 12     ~~(4) “Satellite” means an adult day health care center~~  
13 ~~established in a rural service area by an existing licensed and~~  
14 ~~certified adult day health center for the purposes of extending rural~~  
15 ~~adult day health care services to another location. A satellite shall~~  
16 ~~be located close enough to the adult day health center so that~~  
17 ~~administration, supervision and services may be shared in a~~  
18 ~~manner that does not compromise care and makes it unnecessary~~  
19 ~~for the satellite to be separately licensed. Each satellite shall meet~~  
20 ~~fire and life safety regulations and laws. Prior approval from the~~  
21 ~~department is required before operating or opening a satellite.~~

