

ASSEMBLY BILL

No. 601

**Introduced by Assembly Member Eggman
(Principal coauthor: Assembly Member Brown)
(Coauthors: Assembly Members Calderon and Mark Stone)**

February 24, 2015

An act to amend Sections 1569.15 and 1569.618 of, and to add Sections 1569.356 and 1569.501 to, the Health and Safety Code, relating to health facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 601, as introduced, Eggman. Residential care facilities for the elderly: licensing and regulation.

Existing law, the California Residential Care Facilities for the Elderly Act, provides for the licensure of residential care facilities for the elderly by the State Department of Social Services. Existing law requires any person seeking a license for a residential care facility for the elderly to file an application with the department, as specified. Among other required application information, if the applicant is a firm, association, organization, partnership, business trust, corporation, or company, evidence of reputable and responsible character is required to be submitted as to the members or shareholders thereof, and the person in charge of the residential care facility for the elderly for which the application for issuance of license or special permit is made.

This bill would, among other things, additionally require the applicant to disclose whether it is a for-profit or not-for-profit provider, the names and license numbers of other community care or health care facilities owned, managed, or operated by the same applicant, and the names and addresses of any persons or organizations listed as owner of record in

the real estate of the facilities. The bill would require an applicant to provide additional information, including evidence of the right of possession of the facility at the time the license is granted. The bill would also require that specified applicant information be cross checked with the State Department of Public Health to determine if the applicant has a prior history of operating, holding a position in, or having ownership in, specified licensed facilities.

Existing law requires the Director of Social Services to establish an automated license information system on licensees and former licensees of licensed residential care facilities for the elderly. The system is required to maintain a record of any information that may be pertinent for licensure.

This bill would require, to the extent that the department's computer system can accommodate additional information, the department to post on its Internet Web site specified information, including the name, address, and telephone number of the licensed providers and the number of licensed beds in a residential care facility for the elderly.

Existing law authorizes the department to deny any application for a license to operate a residential care facility for the elderly or to suspend or revoke a license on certain grounds, including, but not limited to, a violation by the licensee of applicable provisions or of the rules and regulations adopted under those provisions, conduct that is inimical to the health, morals, welfare, or safety of either an individual in or receiving services from the facility or the people of the state, or engaging in acts of financial malfeasance concerning the operation of a facility.

This bill would require the department to deny an application for licensure or authorize it to subsequently revoke a license on the grounds that the applicant knowingly made a false statement of fact with regard to information that was required by the application for licensure, and would authorize the department to deny an application for licensure or subsequently revoke a license on the grounds that the applicant did not disclose enforcement actions on the application as required. The bill would also authorize the department to deny an application for licensure on the grounds that the applicant has a history of noncompliance with the requirements imposed under specified facility licenses or a similarly licensed facility in another state, applicable state and federal laws and regulations, and the requirements governing the operators of those facilities.

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 1569.15 of the Health and Safety Code
2 is amended to read:

3 1569.15. (a) Any person ~~desiring issuance of~~ *seeking* a license
4 for a residential care facility for the elderly under this chapter shall
5 file with the department, pursuant to regulations, an application
6 on forms furnished by the department, ~~which~~ *that* shall include,
7 but not be limited ~~to~~ *to, all of the following:*

8 ~~(a)~~

9 (1) Evidence satisfactory to the department of the ability of the
10 applicant to comply with this chapter and of rules and regulations
11 adopted under this chapter by the department.

12 ~~(b)~~

13 (2) Evidence satisfactory to the department that the applicant
14 is of reputable and responsible character. The evidence shall
15 include, but not be limited to, a criminal record clearance pursuant
16 to Section 1569.17, employment history, and character references.
17 If the applicant is a firm, association, organization, partnership,
18 business trust, corporation, or company, like evidence shall be
19 submitted as to the members or shareholders thereof, and the person
20 in charge of the residential care facility for the elderly *for which*
21 *the application for issuance of license or special permit is made.*

22 (3) *The applicant shall disclose whether it is a for-profit or*
23 *not-for-profit provider, the names and license numbers of other*
24 *community care or health care facilities owned, managed, or*
25 *operated by the same applicant, and the names and addresses of*
26 *any persons or organizations listed as the owner of record in the*
27 *real estate of the facilities, including the buildings and grounds*
28 *appurtenant to the buildings.*

29 ~~(c)~~

30 (4) Evidence satisfactory to the department that the applicant
31 has sufficient financial resources to maintain the standards of
32 service required by regulations adopted pursuant to this chapter.

33 ~~(d)~~

34 (5) Disclosure of the applicant's *chief executive officer, general*
35 *partner, or like party's* prior or present service *in California or*
36 *any other state* as an administrator, general partner, corporate
37 officer or director of, or as a person who has held or holds a
38 beneficial ownership of 10 percent or more in, any residential care

1 facility for the ~~elderly or~~ *elderly*, in any facility licensed pursuant
2 to Chapter 1 (commencing with Section 1200), Chapter 2
3 (commencing with Section 1250), or Chapter 3 (commencing with
4 Section ~~1500~~: 1500), or a similarly licensed facility.

5 ~~(e)~~
6 (6) Disclosure of any revocation, *suspension*, or other
7 disciplinary or enforcement action ~~taken~~, *taken in California or*
8 *any other state*, or in the process of being taken, against a license
9 held or previously held by the entities specified in ~~subdivision (e)~~:
10 *paragraph (5)*.

11 ~~(f)~~
12 (7) Any other information as may be required by the department
13 for the proper administration and enforcement of this chapter.

14 ~~(g) Failure of the applicant to cooperate with the licensing~~
15 ~~agency in the completion of the application shall result in the denial~~
16 ~~of the application. Failure to cooperate means that the information~~
17 ~~described in this section and in regulations of the department has~~
18 ~~not been provided, or not provided in the form requested by the~~
19 ~~licensing agency, or both.~~

20 ~~(h)~~
21 (8) Following the implementation of Article 7 (commencing
22 with Section ~~1569.70~~) 1569.70), evidence satisfactory to the
23 department of the applicant's ability to meet regulatory
24 requirements for the level of care the facility intends to provide.

25 ~~(i)~~
26 (9) Evidence satisfactory to the department of adequate
27 knowledge of supportive services and other community supports
28 ~~which~~ *that* may be necessary to meet the needs of elderly residents.

29 ~~(j)~~
30 (10) A signed statement that the person desiring issuance of a
31 license has read and understood the residential care facility for the
32 elderly statute and regulations.

33 ~~(k)~~
34 (11) Designation by the applicant of the individual who shall
35 be the administrator of the facility, including, if the applicant is
36 an individual, whether or not the licensee shall also be the
37 administrator.

38 (12) *Evidence of the right of possession of the facility at the*
39 *time the license is granted, which may be satisfied by the*

1 *submission of a copy of applicable portions of a lease agreement*
2 *or deed of trust.*

3 ~~(t)~~

4 *(13) Evidence of successfully completing a certified prelicensure*
5 *education program pursuant to Section 1569.23.*

6 ~~(m)~~

7 *(14) For any facility that promotes or advertises or plans to*
8 *promote or advertise special care, special programming, or special*
9 *environments for persons with dementia, disclosure to the*
10 *department of the special features of the facility in its plan of*
11 *operation.*

12 *(b) All applicant information disclosed pursuant to paragraph*
13 *(5) of subdivision (a) shall be cross checked with the State*
14 *Department of Public Health to determine if the applicant has a*
15 *prior history of operating, holding a position in, or having*
16 *ownership in, any entity specified in paragraph (5) of subdivision*
17 *(a).*

18 *(c) Failure of the applicant to cooperate with the licensing*
19 *agency in the completion of the application may result in the denial*
20 *of the application. Failure to cooperate means that the information*
21 *described in this section and in the regulations of the department*
22 *has not been provided, or has not been provided in the form*
23 *requested by the licensing agency, or both.*

24 *(d) The information required by this section shall be provided*
25 *to the department upon initial application for licensure, and any*
26 *change in the information shall be provided to the department*
27 *within 30 calendar days of that change.*

28 *(e) (1) The department shall deny an application for licensure*
29 *or may subsequently revoke a license under this chapter on the*
30 *grounds that the applicant knowingly made a false statement of*
31 *fact with regard to information that was required by the application*
32 *for licensure.*

33 *(2) The department may deny an application for licensure or*
34 *may subsequently revoke a license under this chapter on the*
35 *grounds that the applicant did not disclose enforcement actions*
36 *on the application as required by paragraph (6) of subdivision*
37 *(a).*

38 SEC. 2. Section 1569.356 is added to the Health and Safety
39 Code, to read:

1 1569.356. To the extent that the department's computer system
2 can accommodate additional residential care facility for the elderly
3 profile information, the department shall post on its Internet Web
4 site the name, address, and telephone number of the licensed
5 providers, including the owner and the licensee, the number of
6 licensed beds in the facility, including the number of
7 nonambulatory beds, whether the facility is permitted to provide
8 hospice care services, whether the facility has a special care unit
9 or program for people with Alzheimer's disease and other
10 dementias and has a delayed egress or secured perimeter system
11 in place, and information required pursuant to Section 1569.15.

12 SEC. 3. Section 1569.501 is added to the Health and Safety
13 Code, immediately following Section 1569.50, to read:

14 1569.501. (a) The department may deny an application for
15 licensure under this chapter on the grounds that the applicant has
16 a history of noncompliance with the requirements imposed upon
17 any residential care facility for the elderly license, any facility
18 licensed pursuant to Chapter 1 (commencing with Section 1200),
19 Chapter 2 (commencing with Section 1250), or Chapter 3
20 (commencing with Section 1500), or a similarly licensed facility
21 in another state, applicable state and federal laws and regulations,
22 and the requirements governing the operators of those facilities.

23 (b) This section applies to an applicant that is or was an
24 administrator, general partner, chief executive officer or like party,
25 corporate officer or director of, or is a person who has held or
26 holds a beneficial ownership of 10 percent or more in, any
27 residential care facility for the elderly, in any facility licensed
28 pursuant to Chapter 1 (commencing with Section 1200), Chapter
29 2 (commencing with Section 1250), or Chapter 3 (commencing
30 with Section 1500), or a similarly licensed facility in another state.

31 (c) Noncompliance by the chief executive officer, general
32 partner, or like party with the requirements of this chapter and its
33 implementing regulations may be the basis for license decisions
34 against the owner.

35 SEC. 4. Section 1569.618 of the Health and Safety Code is
36 amended to read:

37 1569.618. (a) The administrator designated by the licensee
38 pursuant to ~~subdivision (k)~~ *paragraph (11) of subdivision (a)* of
39 Section 1569.15 shall be present at the facility during normal
40 working hours. A facility manager designated by the licensee with

1 notice to the department, shall be responsible for the operation of
2 the facility when the administrator is temporarily absent from the
3 facility.

4 (b) At least one administrator, facility manager, or designated
5 substitute who is at least 21 years of age and has qualifications
6 adequate to be responsible and accountable for the management
7 and administration of the facility pursuant to Title 22 of the
8 California Code of Regulations shall be on the premises 24 hours
9 per day. The designated substitute may be a direct care staff
10 member who shall not be required to meet the educational,
11 certification, or training requirements of an administrator. The
12 designated substitute shall meet qualifications that include, but are
13 not limited to, all of the following:

14 (1) Knowledge of the requirements for providing care and
15 supervision appropriate to each resident of the facility.

16 (2) Familiarity with the facility's planned emergency procedures.

17 (3) Training to effectively interact with emergency personnel
18 in the event of an emergency call, including an ability to provide
19 a resident's medical records to emergency responders.

20 (c) The facility shall employ, and the administrator shall
21 schedule, a sufficient number of staff members to do all of the
22 following:

23 (1) Provide the care required in each resident's written record
24 of care as described in Section 1569.80.

25 (2) Ensure the health, safety, comfort, and supervision of the
26 residents.

27 (3) Ensure that at least one staff member who has
28 cardiopulmonary resuscitation (CPR) training and first aid training
29 is on duty and on the premises at all times. This paragraph shall
30 not be construed to require staff to provide CPR.

31 (4) Ensure that the facility is clean, safe, sanitary, and in good
32 repair at all times.

33 (d) "Facility manager" means a person on the premises with the
34 authority and responsibility necessary to manage and control the
35 day-to-day operation of a residential care facility for the elderly
36 and supervise the clients. The facility manager, licensee, and
37 administrator, or any combination thereof, may be the same person
38 provided he or she meets all applicable requirements. If the
39 administrator is also the facility manager for the same facility, he

- 1 or she shall be limited to the administration and management of
- 2 only one facility.

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