

AMENDED IN ASSEMBLY APRIL 23, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 601

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

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 amended, 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 *specified information, including* 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 *business* addresses of any ~~persons or organizations~~ *person, organization, or entity* 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 the department to cross-check~~ 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 *current* name, *business* address, and telephone number of the ~~licensed providers and the number of licensed beds in a residential care facility for the elderly.~~ *licensee*.

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 if~~ 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 if~~ 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 if~~ 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 seeking a license for a residential
4 care facility for the elderly under this chapter shall file with the
5 department, pursuant to regulations, an application on forms
6 furnished by the department, that shall include, but not be limited
7 to, all of the following:

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

11 (2) Evidence satisfactory to the department that the applicant
12 is of reputable and responsible character. The evidence shall
13 include, but not be limited to, a criminal record clearance pursuant
14 to Section 1569.17, employment history, and character references.
15 If the applicant is a firm, association, organization, partnership,
16 business trust, corporation, or company, like evidence shall be
17 submitted as to the members or shareholders ~~thereof~~, *thereof*
18 *holding a beneficial ownership interest of 10 percent or more*, and
19 the person ~~in charge~~ *who has operational control* of the residential
20 care facility for the elderly for which the application for issuance
21 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~~, *applicant and by any parent*
26 *organization of the applicant*, the names and *business* addresses
27 of any ~~persons or organizations~~ *person, organization, or entity*
28 listed as the owner of record in the real estate of the facilities,
29 including the buildings and grounds appurtenant to the ~~buildings~~.
30 *buildings, and the email address of the applicant.*

- 1 (4) Evidence satisfactory to the department that the applicant
 2 has sufficient financial resources to maintain the standards of
 3 service required by regulations adopted pursuant to this chapter.
- 4 (5) Disclosure of the *applicant's or the applicant's chief*
 5 *executive officer, general partner, or like party's prior or present*
 6 *service in California or any other state as an administrator, general*
 7 *partner, corporate officer or director of, or as a person who has*
 8 *held or holds a beneficial ownership of 10 percent or more in, any*
 9 *residential care facility for the elderly, in any facility licensed*
 10 *pursuant to Chapter 1 (commencing with Section 1200), Chapter*
 11 *2 (commencing with Section 1250), or Chapter 3 (commencing*
 12 *with Section 1500), or a similarly licensed facility. facility within*
 13 *the past 10 years.*
- 14 (6) Disclosure of any revocation, suspension, *probation*, or other
 15 *similar disciplinary or enforcement* action taken in California or
 16 any other state, or in the process of being taken, *against a facility*
 17 *identified in paragraph (5) or against a license held or previously*
 18 *held by the entities and persons specified in paragraph (5). (5)*
 19 *within the past 10 years.*
- 20 (7) Any other information as may be required by the department
 21 for the proper administration and enforcement of this chapter.
- 22 (8) Following the implementation of Article 7 (commencing
 23 with Section 1569.70), evidence satisfactory to the department of
 24 the applicant's ability to meet regulatory requirements for the level
 25 of care the facility intends to provide.
- 26 (9) Evidence satisfactory to the department of adequate
 27 knowledge of supportive services and other community supports
 28 that may be necessary to meet the needs of elderly residents.
- 29 (10) A signed statement that the person desiring issuance of a
 30 license has read and understood the residential care facility for the
 31 elderly statute and regulations.
- 32 (11) Designation by the applicant of the individual who shall
 33 be the administrator of the facility, including, if the applicant is
 34 an individual, whether or not the licensee shall also be the
 35 administrator.
- 36 (12) Evidence of the right of possession of the facility at the
 37 time the license is granted, which may be satisfied by the
 38 submission of a copy of applicable portions of a lease agreement
 39 or ~~deed of trust~~. *deed*.

1 (13) Evidence of successfully completing a certified prelicensure
2 education program pursuant to Section 1569.23.

3 (14) For any facility that promotes or advertises or plans to
4 promote or advertise special care, special programming, or special
5 environments for persons with dementia, disclosure to the
6 department of the special features of the facility in its plan of
7 operation.

8 (b) ~~AA~~—*The department shall cross-check all* applicant
9 information disclosed pursuant to paragraph (5) of subdivision (a)
10 ~~shall be cross checked~~ with the State Department of Public Health
11 to determine if the applicant has a prior history of operating,
12 holding a position in, or having ownership in, any entity specified
13 in paragraph (5) of subdivision (a).

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

20 (d) The information required by this section shall be provided
21 to the department upon initial application for licensure, and any
22 change in the information shall be provided to the department
23 within 30 calendar days of that change.

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

29 (2) The department may deny an application for licensure or
30 may subsequently revoke a license under this chapter ~~on the~~
31 ~~grounds that~~ *if* the applicant did not disclose enforcement actions
32 on the application as required by paragraph (6) of subdivision (a).

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

35 1569.356. To the extent that the department's computer system
36 can accommodate additional residential care facility for the elderly
37 profile information, the department shall post on its Internet Web
38 site the *current* name, *business* address, and telephone number of
39 the licensed providers, ~~including the owner and the licensee, the~~
40 ~~number of licensed beds in the facility, including the number of~~

1 ~~nonambulatory beds, licensee, the name of the owner of the~~
 2 ~~residential care facility for the elderly, if not the same as the~~
 3 ~~licensee, the name of any parent corporation, the licensed capacity~~
 4 ~~of the facility, including the capacity for nonambulatory residents,~~
 5 whether the facility is permitted to ~~provide~~ accept and retain
 6 residents receiving hospice care services, whether the facility has
 7 a special care unit or program for people with Alzheimer’s disease
 8 and other dementias and has a delayed egress or secured perimeter
 9 system in place, and information required pursuant to Section
 10 1569.15.

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

13 1569.501. (a) The department may deny an application for
 14 licensure under this chapter ~~on the grounds that if~~ the applicant
 15 has a history of noncompliance with *any of the requirements*
 16 *following:*

17 (1) *Requirements* imposed upon any residential care facility for
 18 the elderly license, any facility licensed pursuant to Chapter 1
 19 (commencing with Section 1200), Chapter 2 (commencing with
 20 Section 1250), or Chapter 3 (commencing with Section 1500), or
 21 a similarly licensed facility in another ~~state, applicable~~ state.

22 (2) *Applicable state and federal laws and regulations, and the*
 23 *requirements regulations.*

24 (3) *Requirements governing the operators of those facilities: the*
 25 *facilities specified in paragraph (1).*

26 (b) This section applies to an applicant that is or was an
 27 administrator, general partner, chief executive officer or like party,
 28 corporate officer or director of, or is a person who has held or
 29 holds a beneficial ownership of 10 percent or more in, any
 30 residential care facility for the elderly, in any facility licensed
 31 pursuant to Chapter 1 (commencing with Section 1200), Chapter
 32 2 (commencing with Section 1250), or Chapter 3 (commencing
 33 with Section 1500), or a similarly licensed facility in another state.

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

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

1 1569.618. (a) The administrator designated by the licensee
2 pursuant to paragraph (11) of subdivision (a) of Section 1569.15
3 shall be present at the facility during normal working hours. A
4 facility manager designated by the licensee with notice to the
5 department, shall be responsible for the operation of the facility
6 when the administrator is temporarily absent from the facility.

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

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

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

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

23 (c) The facility shall employ, and the administrator shall
24 schedule, a sufficient number of staff members to do all of the
25 following:

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

28 (2) Ensure the health, safety, comfort, and supervision of the
29 residents.

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

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

36 (d) "Facility manager" means a person on the premises with the
37 authority and responsibility necessary to manage and control the
38 day-to-day operation of a residential care facility for the elderly
39 and supervise the clients. The facility manager, licensee, and
40 administrator, or any combination thereof, may be the same person

1 provided he or she meets all applicable requirements. If the
2 administrator is also the facility manager for the same facility, he
3 or she shall be limited to the administration and management of
4 only one facility.

O