

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 2747**

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**Introduced by Assembly Member Hadley**

February 19, 2016

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An act to ~~amend Section 1569 of~~ *add Section 1221.20* to the Health and Safety Code, relating to ~~care facilities.~~ *specialty clinics.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 2747, as amended, Hadley. ~~Residential care facilities.~~ *Chronic dialysis clinics.*

*Existing law provides for the licensure and regulation of clinics by the State Department of Public Health. Existing law provides that certain types of specialty clinics, including chronic dialysis clinics, as defined, are eligible for licensure.*

*This bill would require the department, within 90 days after receiving an initial and complete chronic dialysis clinic application, to complete the application paperwork, to conduct a licensure survey, if necessary, and in certain circumstances, to conduct an unannounced certification survey in accordance with a specified timeline, as provided. The bill would require the department to forward the results of the certification survey to the federal Centers for Medicare and Medicaid Services, as specified.*

~~Under existing law, the California Residential Care Facilities for the Elderly Act, the State Department of Social Services licenses and regulates residential care facilities for the elderly. Under the act, the Legislature finds and declares that, due to a greater demand for residences for the elderly that provide care and supervision, residential care facilities for the elderly are licensed as a separate category from~~

community care facilities. Under the act, no residential care facility for the elderly can accept a person needing care beyond the level of care for which that facility is licensed.

~~This bill would make technical, nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.

State-mandated local program: no.

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

1     SECTION 1. (a) *The Legislature finds and declares all of the*  
2     *following:*

3     (1) *New dialysis facilities in California are being required to*  
4     *wait nine months or longer to be licensed by the State Department*  
5     *of Public Health and to receive Medicare certification surveys*  
6     *after they are otherwise ready to serve patients.*

7     (2) *The prevalence of dialysis in California is increasing faster*  
8     *than the national average due to the high incidence of diabetes*  
9     *and hypertension, the two major causes of End Stage Renal Disease*  
10    *(ESRD). The growth in the ESRD patient population is causing a*  
11    *burden for patients and families, forcing patients to dialyze on*  
12    *shifts and travel to dialysis centers that are not convenient for a*  
13    *patient who is suffering from a chronic disease.*

14    (3) *Prior to a new dialysis center being surveyed, the dialysis*  
15    *center invests significant financial resources to develop a new*  
16    *facility. In addition to the construction cost, the dialysis center*  
17    *must be equipped with state of the art equipment to provide quality*  
18    *care. It also must receive a certificate of occupancy, ensuring that*  
19    *the dialysis center is constructed to meet all local, state, and*  
20    *federal regulations.*

21    (4) *Additionally, a dialysis center must be staffed prior to*  
22    *requesting a survey, which means that the center is bearing the*  
23    *cost of staff for nine months or more before it can serve patients.*

24    (5) *It would require less than one full-time equivalent staff*  
25    *member to eliminate the current backlog of approximately twenty*  
26    *new dialysis centers that are waiting to receive state licensure and*  
27    *a Medicare certification survey. The same is true for providing*  
28    *timely surveys of new dialysis centers on an annual basis.*

1     ***(b) It is the intent of the Legislature in enacting this act to***  
2     ***require expeditious licensure and Medicare certification surveys***  
3     ***for new dialysis clinics in California.***

4     ***SEC. 2. Section 1221.20 is added to the Health and Safety***  
5     ***Code, immediately following Section 1221.19, to read:***

6     ***1221.20. (a) Within 90 calendar days after the department***  
7     ***receives an initial and complete chronic dialysis clinic application,***  
8     ***the department shall complete the application paperwork and***  
9     ***conduct a licensure survey, if necessary, to inspect the clinic and***  
10    ***evaluate the clinic's compliance with state licensure requirements.***  
11    ***The department shall forward its recommendation, if necessary,***  
12    ***and all other information, to the federal Centers for Medicare and***  
13    ***Medicaid Services within the same 90 calendar days.***

14    ***(b) (1) For an applicant seeking to receive reimbursement***  
15    ***under the Medicare or Medi-Cal programs, the department shall***  
16    ***complete the initial application paperwork and conduct an***  
17    ***unannounced certification survey, if necessary, within 90 days***  
18    ***after the department's receipt of a letter from the chronic dialysis***  
19    ***clinic notifying the department of its readiness for the certification***  
20    ***survey.***

21    ***(2) No later than 30 calendar days after the certification survey,***  
22    ***the department shall forward the results of its licensure and***  
23    ***certification surveys and all other information necessary for***  
24    ***certification to the federal Centers for Medicare and Medicaid***  
25    ***Services.***

26    ***SECTION 1. ~~Section 1569 of the Health and Safety Code is~~***  
27    ***~~amended to read:~~***

28    ***~~1569. This chapter shall be known, and may be cited, as the~~***  
29    ***~~California Residential Care Facilities for the Elderly Act.~~***