

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1523\*

Short Title: Rest Home Moratorium.

(Public)

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Sponsors: Representative Nye.

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Referred to: Appropriations.

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June 3, 1992

A BILL TO BE ENTITLED

1 AN ACT TO CREATE A MORATORIUM ON THE INITIAL LICENSURE OF REST  
2 HOMES.  
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4 Whereas, "the orderly development of homes for the aged and disabled will  
5 result in less institutionalization of the elderly and thus lower public expenditures".  
6 (Findings of fact, Chapter 1282 of the 1981 Session Laws, 1982 Session, which  
7 established a moratorium on the initial licensure of specified long-term care facilities for  
8 seven months); and

9 Whereas, as was observed in the 1990 Peat-Marwick Report, commissioned  
10 by the Department of Human Resources to analyze cost reporting and reimbursement  
11 methodology for domiciliary care facilities: "Of all the many factors discussed ..., we  
12 believe the most important is for North Carolina to decide what it wants to accomplish  
13 in a reimbursement system."; and

14 Whereas, as stated in her "Initial Report on North Carolina Domiciliary Care  
15 Policy," the University of North Carolina at Chapel Hill's School of Public Health  
16 doctoral candidate, Elisa Bolda, concurs with the Peat-Marwick conclusion that one of  
17 the central questions facing the State is the purpose of domiciliary care in North  
18 Carolina; and

19 Whereas, as the Bolda Report concludes, geographic distribution of  
20 domiciliary home beds in North Carolina is uneven at best, as counties range from no  
21 beds to more than 50 Homes for the Aged and Family Care Homes beds per thousand  
22 county residents age 65 or older; and

1           Whereas, as the Bolda Report further concludes, "[a]nalysis of domiciliary  
2 care bed supply indicates a 78% increase in domiciliary care beds ... supply during the  
3 past 10 years"; and

4           Whereas, the "Annual Cost and Revenue Report for Domiciliary Care  
5 Facilities", as issued by the Division of Facilities Services, Department of Human  
6 Resources, based on reporting by the Division of Social Services, of the percent of  
7 occupancy of paid patient days, establishes the occupancy rate for the 1991 calendar  
8 year at 86.18%; and

9           Whereas, because domiciliary care is not acknowledged by the State to exist  
10 in the North Carolina State Medical Facilities Plan, North Carolina has no methodology  
11 for projections of need for new homes; and

12           Whereas, absent a State plan for domiciliary care, and consistently applied  
13 methodology and State control, it is impossible to project accurate need, or exact  
14 projections for reimbursement and cost; Now, therefore,

15 The General Assembly of North Carolina enacts:

16           Section 1. Notwithstanding any other provisions of law, the Department of  
17 Human Resources shall not accept applications received after July 1, 1992, or before  
18 July 1, 1994, for initial licensure of:

- 19           (1) Any family care home, group home for developmentally disabled  
20 adults, or home for the aged or disabled as licensed pursuant to the  
21 provisions of Article 1 of Chapter 131D of the General Statutes; or  
22           (2) Any domiciliary home licensed pursuant to the provisions of Article 6  
23 of Chapter 131E of the General Statutes.

24           Sec. 2. This act becomes effective July 1, 1992.