

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H

1

HOUSE BILL 727

Short Title: Adult Care Homes/Licensure by Accreditation. (Public)

Sponsors: Representatives Wray and Brisson (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Health, if favorable, Rules, Calendar, and Operations of the House

April 29, 2021

A BILL TO BE ENTITLED

AN ACT ESTABLISHING A LICENSURE BY ACCREDITATION PROCESS FOR ADULT CARE HOMES; EXEMPTING ADULT CARE HOMES THAT ARE LICENSED BY VIRTUE OF ACCREDITATION FROM ROUTINE INSPECTIONS AND THE STAR RATING PROGRAM FOR ASSISTED LIVING FACILITIES; AND APPROPRIATING FUNDS FOR AN ASSISTED LIVING ACCREDITATION GRANT PROGRAM AND FOR A COMPARISON OF RESIDENT OUTCOMES IN ACCREDITED VERSUS NON-ACCREDITED ADULT CARE HOMES.

The General Assembly of North Carolina enacts:

SECTION 1. It is the intent of the General Assembly to authorize the Department of Health and Human Services, Division of Health Service Regulation, to issue an adult care home license to any applicant that obtains assisted living program accreditation from the Accreditation Commission for Health Care or another nationally recognized accrediting body approved by the Department of Health and Human Services, Division of Health Service Regulation, pursuant to Section 3 of this act without the need for further review or inspection by the Department. To that end, the Department of Health and Human Services, Division of Health Service Regulation, shall accept an application from any accrediting body making application as described in Section 3 of this act.

SECTION 2.(a) G.S. 131D-2.4 is amended by adding a new subsection to read:

"(h) An adult care home that has been licensed by the Department for at least 12 months shall be deemed to meet the licensure requirements of this Part, and the Department shall issue a license under this Part without further review or inspection, if the facility obtains assisted living program accreditation from the Accreditation Commission for Health Care or another Department-approved nationally recognized accrediting body. Any adult care home deemed to meet the licensure requirements of this Part by virtue of accreditation shall submit the following documentation to the Department's Division of Health Service Regulation in order to obtain a license under this subsection:

- (1) A copy of its accreditation report within 30 days after receipt each time the facility is surveyed by the accrediting body. The facility shall notify the Division of Health Service Regulation, in writing, within 30 days after any action taken by the accrediting body that temporarily or permanently affects its accreditation status.
- (2) A copy of its annual fire-safety inspection from the local fire marshal within 30 days after receipt.



- 1 (3) A copy of its sanitation inspection from the local health department within 30
2 days after receipt.
- 3 (4) Certification that it will employ or contract with a registered nurse,
4 pharmacist, prescribing practitioner, or a combination of these, as appropriate,
5 to periodically review resident charts and records to assist the facility in
6 meeting quality measures published by the Department in accordance with
7 subsection (g) of G.S. 131D-2.13.

8 Obtaining a license by virtue of accreditation under this subsection does not exempt an adult
9 care home from the licensure requirements established under this Part, including any licensure
10 rules adopted under this Part. The Department or county departments of social services may
11 conduct validation surveys of adult care homes licensed by virtue of accreditation under this
12 subsection in order to ensure compliance with applicable licensure requirements.

13 Adult care homes licensed by virtue of accreditation under this subsection are not subject to
14 routine inspections by the Department or county departments of social services, as provided
15 under G.S. 131D-2.11(a) or (b). If the Department or a county department of social services
16 receives a complaint against an accredited facility, the Department or county department of social
17 services shall forward the complaint to the accrediting body for investigation, except that the
18 Division of Health Service Regulation or a county department of social services may investigate
19 allegations against adult care homes of abuse or neglect, as those terms are defined in 42 C.F.R.
20 § 488.301. The accrediting body shall forward the results of all surveys and complaint
21 investigations to the Department within 10 days following any such survey results or complaint
22 investigations becoming final. Nothing in this subsection shall prohibit a county department of
23 social services from conducting routine monitoring in accredited adult care homes to validate
24 compliance with State and federal laws, rules, and regulations in accordance with policy and
25 procedures established by the Division of Health Service Regulation.

26 Adult care homes licensed by virtue of accreditation under this subsection are exempt from
27 the rules adopted by the North Carolina Medical Care Commission pursuant to G.S. 131D-10.
28 Instead, these adult care homes shall be noted as "accredited" in lieu of receiving a rating issued
29 in accordance with the rules adopted by the North Carolina Medical Care Commission pursuant
30 to G.S. 131D-10."

31 **SECTION 2.(b)** Subsection (a) of this section becomes effective upon a
32 determination by the Program on Aging, Disability, and Long-Term Care of the Cecil G. Sheps
33 Center for Health Services Research located at the University of North Carolina at Chapel Hill
34 that accreditation is demonstrably related to or improves adult care home resident outcomes,
35 based on the quality measures approved by the Department pursuant to subsection (g) of
36 G.S. 131D-2.13, as enacted by this act. Upon receipt of that determination, the Secretary of the
37 Department of Health and Human Services shall notify the Revisor of Statutes of the
38 determination and the date of receipt.

39 **SECTION 3.** G.S. 131D-2.13 is amended by adding three new subsections to read:

40 "(f) Approval of Accrediting Bodies. – Each accrediting body seeking approval to issue
41 adult care home licenses pursuant to subsection (h) of G.S. 131D-2.4 shall apply to the
42 Department for such approval in the manner prescribed by the Department. The Department shall
43 review and approve or deny each application following a determination by the Department about
44 whether the accrediting body's standards for granting and maintaining assisted living program
45 accreditation exceed (i) the adult care home licensure requirements of Part 1 of Article 1 of
46 Chapter 131D of the General Statutes and any rules adopted under that Part and (ii) the Adult
47 Care Home Residents' Bill of Rights established under Article 3 of Chapter 131D of the General
48 Statutes. The Department's application review may include observation of initial accreditation
49 surveys for up to five adult care homes that voluntarily agree to seek accreditation from the
50 accrediting body and to participate in the initial accreditation surveys. The Department shall
51 make a final decision about an accrediting body's application for approval to issue adult care

1 home licenses pursuant to subsection (h) of G.S. 131D-2.4 within 12 months of receiving the
2 application. If the Department denies the accrediting body's application, the Department shall
3 notify the accrediting body, in writing, of the reasons for the denial and of the appeal rights
4 available under Article 3 of Chapter 150B of the General Statutes.

5 (g) Quality Outcome Measures. – By October 1, 2021, and annually thereafter by October
6 1, the Department shall publish a list of criteria for measuring resident outcomes in adult care
7 homes that are consistent with the criteria for assisted living program accreditation. The list of
8 criteria for measuring resident outcomes in adult care homes shall be based on recommendations
9 provided to the Department by the Program on Aging, Disability, and Long-Term Care within
10 the Cecil G. Sheps Center for Health Services Research located at the University of North
11 Carolina at Chapel Hill and approved by the Department in consultation with the accrediting
12 bodies approved by the Department pursuant to subsection (f) of this section. These criteria may,
13 but are not required to, relate to, among other things, the following:

14 (1) Fewer falls, falls with injuries, and falls requiring hospitalization.

15 (2) Fewer emergency department visits and hospitalizations.

16 (3) Less functional decline.

17 (4) Improved quality of life.

18 (h) Termination of Accrediting Body Approval. – Whenever the Department determines
19 that an accrediting body approved by the Department pursuant to subsection (f) of this section
20 no longer satisfies the minimum requirements established by the Department under this section,
21 the Secretary shall terminate the approval of that accrediting body. If the Secretary terminates
22 the approval of an accrediting body, the Secretary shall notify an accrediting body, in writing, of
23 the decision to terminate an accrediting body's approval, the reasons for the termination, and the
24 appeal rights available under Article 3 of Chapter 150B of the General Statutes."

25 **SECTION 4.(a)** There is appropriated from the General Fund to the Department of
26 Health and Human Services, Division of Health Service Regulation, the sum of one million five
27 hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2021-2022 fiscal year to be
28 allocated to the North Carolina Senior Living Association (NCSLA), Inc., and the North Carolina
29 Assisted Living Association (NCALA), Inc. The NCSLA and the NCALA shall use these funds
30 to jointly administer the grant program authorized by subsection (b) of this section.

31 **SECTION 4.(b)** The NCSLA and the NCALA shall jointly establish and operate an
32 adult care home accreditation grant program that provides grant awards to a maximum of 150
33 licensed adult care homes located in this State to cover the cost of obtaining and maintaining a
34 three-year accreditation from one of the accrediting bodies approved by the Department of Health
35 and Human Services pursuant to subsection (f) of G.S. 131D-2.13. The Adult Care Licensure
36 Section of the Division of Health Service Regulation within the Department of Health and Human
37 Services shall establish, in consultation with the NCSLA and the NCALA, criteria to be utilized
38 for selecting adult care homes to participate in the adult care home accreditation grant program
39 authorized by this section. The established criteria must ensure that a diverse group of adult care
40 homes is selected to participate in this grant program. Adult care homes selected to participate in
41 this grant program shall not use their grant awards for any purpose other than to contract with an
42 accrediting body approved by the Department of Health and Human Services pursuant to
43 subsection (f) of G.S. 131D-2.13 for a three-year assisted living program accreditation.

44 **SECTION 4.(c)** This section becomes effective July 1, 2021.

45 **SECTION 5.(a)** There is appropriated from the General Fund to the Board of
46 Governors of The University of North Carolina System the sum of three hundred fifty thousand
47 dollars (\$350,000) in nonrecurring funds for the 2021-2022 fiscal year to be allocated to the
48 University of North Carolina at Chapel Hill for the Program on Aging, Disability, and Long-Term
49 Care (PADLTC) within the Cecil G. Sheps Center for Health Services Research. The PADLTC
50 shall use these funds to do the following:

- 1 (1) To develop and provide to the Department of Health and Human Services a
2 recommended list of criteria for measuring resident outcomes in adult care
3 homes that are consistent with the criteria for assisted living program
4 accreditation. These criteria may, but are not required to, relate to, among
5 other things, the following:
6 a. Fewer falls, falls with injuries, and falls requiring hospitalization.
7 b. Fewer emergency department visits and hospitalizations.
8 c. Less functional decline.
9 d. Improved quality of life.
- 10 (2) To monitor and compare the quality outcome measures approved by the
11 Department pursuant to subsection (g) of G.S. 131D-2.13 in adult care homes
12 that obtained three-year assisted living program accreditation under the grant
13 program authorized by Section 4 of this act and non-accredited adult care
14 homes licensed in the State.
- 15 (3) To prepare the reports required by subsection (b) of this section.

16 **SECTION 5.(b)** Using the quality outcome measures approved by the Department
17 pursuant to subsection (g) of G.S. 131D-2.13, the PADLTC shall compare resident outcomes
18 between adult care homes that participated in the grant program authorized by Section 4 of this
19 act and non-accredited adult care homes for a period of three years from the expiration of the
20 grant program authorized by Section 4 of this act. The Adult Care Licensure Section, and any
21 accrediting body approved by the Department to issue adult care home licenses by accreditation
22 pursuant to subsection (f) of G.S. 131D-2.13, shall cooperate with the PADLTC in its efforts to
23 gather and report data necessary to measure and compare resident outcomes as required by this
24 subsection. The PADLTC shall submit the following reports to the General Assembly and the
25 Secretary of the Department of Health and Human Services:

- 26 (1) On or before December 1, 2022, and again on or before December 1, 2023, an
27 interim report on its findings and determinations with respect to the
28 comparisons conducted in accordance with this subsection.
- 29 (2) On or before December 1, 2024, a final report that definitively states whether,
30 in the determination of the PADLTC, the achievement of assisted living
31 program accreditation is demonstrably related to or improves adult care home
32 resident outcomes, based on the quality measures approved by the Department
33 pursuant to subsection (g) of G.S. 131D-2.13, as enacted by this act.

34 **SECTION 5.(c)** This section becomes effective July 1, 2021.

35 **SECTION 6.** Except as otherwise provided, this act is effective when it becomes

36 law.