

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 213

Short Title: Amend Family Care Home Reporting.

(Public)

Sponsors: Senators Webster, Ballance, Foxx, Kerr, McDaniel, Warren; Allran, Blust, Carrington, East, Forrester, Garwood, Hartsell, Lucas, Page, and Shaw of Cumberland.

Referred to: Children & Human Resources.

February 20, 1997

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE
ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO MODIFY
THE METHOD AND REPORTING PERIOD FOR FAMILY CARE HOMES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 131D-4.2 reads as rewritten:

"§ 131D-4.2. **Adult care homes; family care homes; annual cost reports; exemptions; enforcement.**

(a) Except for family care homes, adult care homes with a licensed capacity of seven to twenty beds, which are licensed pursuant to this Chapter, to Chapter 122C of the General Statutes, and to Chapter 131E of the General Statutes, shall submit audited reports of actual costs to the Department at least every two years in accordance with rules adopted by the Department under G.S. 143B-10. For years in which an audited report of actual costs is not required, an annual cost report shall be submitted to the Department in accordance with rules adopted by the Department under G.S. 143B-10.

(b) Except for family care homes, adult care homes with a licensed capacity of twenty-one beds or more, which are licensed pursuant to this Chapter, to Chapter 122C of the General Statutes, and to Chapter 131E of the General Statutes, shall submit annual

1 audited reports of actual costs to the Department of Human Resources, in accordance
2 with rules adopted by the Department under G.S. 143B-10.

3 (c) Family care homes shall submit annual cost reports to the Department of
4 Human Resources, in accordance with rules adopted by the Department under G.S. 143B-
5 10. All reports shall be due on the due date, including any extensions thereof, of the
6 federal income tax return of the owner of the family care home and shall be for the same
7 reporting period covered by the tax return. The annual cost report shall be the applicable
8 schedules of the federal tax return of the owner of the family care home that disclose all
9 the income and expenses of the family care home, and any additional information not
10 contained in the schedules as may be necessary to set rates for State/County Special
11 Assistance and to comply with federal law and regulations. All schedules shall be
12 certified under penalty of perjury as matching the information shown on the federal
13 income tax return of the family care home owner.

14 (d) Facilities that do not receive State/County Special Assistance or Medicaid
15 personal care are exempt from the reporting requirements of this section.

16 (e) The first audited cost report shall be for the period from January 1, 1995,
17 through September 30, 1995, and shall be due March 1, 1996. Thereafter, except for
18 family care homes as set forth in subsection (c) of this section, the annual reporting
19 period shall be October 1 through September 30, with the annual report due by the
20 following March 1.

21 (f) The Department shall have the authority to conduct audits and review audits
22 submitted pursuant to subsections (a), (b), and (c) above.

23 (g) The Department may take either or both of the following actions to enforce
24 compliance by a facility with this section, or to punish noncompliance:

25 (1) Seek a court order to enforce compliance;

26 (2) Suspend or revoke the facility's license, subject to the provisions of
27 Chapter 150B of the General Statutes.

28 (h) The report documentation shall be used to adjust the adult care home rate
29 annually, an adjustment that is in addition to the annual standard adjustment for inflation
30 as determined by the Office of State Budget and Management. The Department of
31 Human Resources shall adopt rules for the rate-setting methodology and audited cost
32 reports in accordance with G.S. 143B-10."

33 Section 2. This act is effective when it becomes law, and shall apply for
34 reports due for tax years beginning on or after October 1, 1996, and shall include a
35 reporting period that includes all time which has lapsed since the end of the reporting
36 period for which the previous report was due.