

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40440-MG-147

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

Sponsors: Representative Wray.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT ESTABLISHING A LICENSURE BY ACCREDITATION PROCESS FOR ADULT  
3 CARE HOMES; EXEMPTING ADULT CARE HOMES THAT ARE LICENSED BY  
4 VIRTUE OF ACCREDITATION FROM ROUTINE INSPECTIONS AND THE STAR  
5 RATING PROGRAM FOR ASSISTED LIVING FACILITIES; AND APPROPRIATING  
6 FUNDS FOR AN ASSISTED LIVING ACCREDITATION GRANT PROGRAM AND  
7 FOR A COMPARISON OF RESIDENT OUTCOMES IN ACCREDITED VERSUS  
8 NON-ACCREDITED ADULT CARE HOMES.

9 The General Assembly of North Carolina enacts:

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

19 **SECTION 2.(a)** G.S. 131D-2.4 is amended by adding a new subsection to read:  
20 "(h) An adult care home that has been licensed by the Department for at least 12 months  
21 shall be deemed to meet the licensure requirements of this Part, and the Department shall issue a  
22 license under this Part without further review or inspection, if the facility obtains assisted living  
23 program accreditation from the Accreditation Commission for Health Care or another  
24 Department-approved nationally recognized accrediting body. Any adult care home deemed to  
25 meet the licensure requirements of this Part by virtue of accreditation shall submit the following  
26 documentation to the Department's Division of Health Service Regulation in order to obtain a  
27 license under this subsection:

- 28 (1) A copy of its accreditation report within 30 days after receipt each time the  
29 facility is surveyed by the accrediting body. The facility shall notify the  
30 Division of Health Service Regulation, in writing, within 30 days after any  
31 action taken by the accrediting body that temporarily or permanently affects  
32 its accreditation status.  
33 (2) A copy of its annual fire-safety inspection from the local fire marshal within  
34 30 days after receipt.  
35 (3) A copy of its sanitation inspection from the local health department within 30  
36 days after receipt.



1           (4) Certification that it will employ or contract with a registered nurse,  
2           pharmacist, prescribing practitioner, or a combination of these, as appropriate,  
3           to periodically review resident charts and records to assist the facility in  
4           meeting quality measures published by the Department in accordance with  
5           subsection (g) of G.S. 131D-2.13.

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

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

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

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

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

38           "(f) Approval of Accrediting Bodies. – Each accrediting body seeking approval to issue  
39           adult care home licenses pursuant to subsection (h) of G.S. 131D-2.4 shall apply to the  
40           Department for such approval in the manner prescribed by the Department. The Department shall  
41           review and approve or deny each application following a determination by the Department about  
42           whether the accrediting body's standards for granting and maintaining assisted living program  
43           accreditation exceed (i) the adult care home licensure requirements of Part 1 of Article 1 of  
44           Chapter 131D of the General Statutes and any rules adopted under that Part and (ii) the Adult  
45           Care Home Residents' Bill of Rights established under Article 3 of Chapter 131D of the General  
46           Statutes. The Department's application review may include observation of initial accreditation  
47           surveys for up to five adult care homes that voluntarily agree to seek accreditation from the  
48           accrediting body and to participate in the initial accreditation surveys. The Department shall  
49           make a final decision about an accrediting body's application for approval to issue adult care  
50           home licenses pursuant to subsection (h) of G.S. 131D-2.4 within 12 months of receiving the  
51           application. If the Department denies the accrediting body's application, the Department shall

1 notify the accrediting body, in writing, of the reasons for the denial and of the appeal rights  
2 available under Article 3 of Chapter 150B of the General Statutes.

3 (g) Quality Outcome Measures. – By October 1, 2021, and annually thereafter by October  
4 1, the Department shall publish a list of criteria for measuring resident outcomes in adult care  
5 homes that are consistent with the criteria for assisted living program accreditation. The list of  
6 criteria for measuring resident outcomes in adult care homes shall be based on recommendations  
7 provided to the Department by the Program on Aging, Disability, and Long-Term Care within  
8 the Cecil G. Sheps Center for Health Services Research located at the University of North  
9 Carolina at Chapel Hill and approved by the Department in consultation with the accrediting  
10 bodies approved by the Department pursuant to subsection (f) of this section. These criteria may,  
11 but are not required to, relate to, among other things, the following:

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

13 (2) Fewer emergency department visits and hospitalizations.

14 (3) Less functional decline.

15 (4) Improved quality of life.

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

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

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

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

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

49 (1) To develop and provide to the Department of Health and Human Services a  
50 recommended list of criteria for measuring resident outcomes in adult care  
51 homes that are consistent with the criteria for assisted living program

1 accreditation. These criteria may, but are not required to, relate to, among  
2 other things, the following:

- 3 a. Fewer falls, falls with injuries, and falls requiring hospitalization.
- 4 b. Fewer emergency department visits and hospitalizations.
- 5 c. Less functional decline.
- 6 d. Improved quality of life.

7 (2) To monitor and compare the quality outcome measures approved by the  
8 Department pursuant to subsection (g) of G.S. 131D-2.13 in adult care homes  
9 that obtained three-year assisted living program accreditation under the grant  
10 program authorized by Section 4 of this act and non-accredited adult care  
11 homes licensed in the State.

12 (3) To prepare the reports required by subsection (b) of this section.

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

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

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

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

33 law.