



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEVPUTTA SANGVAI • Secretary


MARK PAYNE • Director, Division of Health Service Regulation

August 1, 2025

Memo #P0051

MEMORANDUM

TO: N.C. Licensed Adult Care Home & Family Care Home Providers

FROM: Megan Lamphere, Chief 
DHSR Adult Care Licensure Section

RE: N.C. Star Rating Program Rule Changes Effective August 1, 2025
10A NCAC 13F .1601-.1605
10A NCAC 13G .1601-.1605

As we have been anticipating since their adoption in January, the new rules for the N.C. Star Rated Certificate Program (“Star Rating”) go into effect today. The rules are 10A NCAC 13F .1601-.1605 for adult care homes and 10A NCAC 13G .1601-.1605 for family care homes. The rule language, including the versions showing the changes, was sent out to all providers in a memorandum on March 10, 2025, which can be found on the Adult Care Licensure Section’s website [HERE](#). The rules can also be found on our website [HERE](#).

DHSR Enterprise System

In order to implement the new star rating rules, DHSR has incorporated the Star Rating Program into the DHSR Enterprise System, the same system used for online licensing activities. Over the next few weeks the Star Rating Program will be switching over to Enterprise. From Enterprise, providers will be notified when a star rating has been issued, and they will be able to access and print their rating worksheets and certificates to post within the facility. ACLS will send out an announcement when this feature becomes live in Enterprise, as well as instructions for accessing the rating.

Merit Point Opportunities

One exciting new part of the star rating rules are the expanded opportunities for providers to earn “merit points.” To help providers prepare, we are sharing some helpful information about these new merit point opportunities. These merit point opportunities, like those previously, will be evaluated during the survey process on initial, annual, and biennial surveys. The attached handout includes the criteria that surveyors will be using to determine whether or not the facility will be issued merit points. As with our normal survey process, surveys will be using observations, interviews and record reviews to make these determinations.

As of August 1, 2025, the merit point opportunities are:

- Automatic Sprinkler System
- Emergency Power Back-up
- Quality Improvement Program
- Resident Council (new)
- Family Council (new)
- “Infection Control in Long Term Care Facilities” Course by UNC SPICE (new)
- Resident and Family Satisfaction Surveys (new)

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

ADULT CARE LICENSURE SECTION

LOCATION: 815 Palmer Drive, Dobbin Building, Raleigh, NC 27603
MAILING ADDRESS: 2708 Mail Service Center, Raleigh, NC 27699-2708
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3765 • FAX: 919-733-9379

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Additionally, ACLS will be releasing a training for adult care home and family care home providers to understand the rule changes related to the Star Rating, as well as take a closer look into the new merit point opportunities. The training will be presented by Robin McConnell, ACLS Certification Administrator, and will be available on the ACLS website in the coming weeks.

Update on the Amendment of Rule 10A NCAC 13F/13G .1604

On July 30, 2025 the Rules Review Commission approved the agency's proposed amendment to rules 10A NCAC 13F/13G .1604. The amendment to the rules was necessary to fix an error in the rules, specifically an incorrect statutory citation. As currently codified in 10A NCAC 13F/13G .1604, the rules state,

"If the facility's admissions are suspended, the facility shall receive a demerit of 10 points; however, if the facility's admissions are suspended pursuant to G.S. 131D-2.7, the facility shall not receive any demerit points." The citation to G.S. 131D-2.7 as the exception, which includes suspensions of admissions related to care, was in error. The intent was to exempt suspensions of admissions resulting from the failure to submit a cost report pursuant to G.S. 131D-4.2.

However, while the agency attempted to remedy this error quickly and went back through the rulemaking process, more than 10 letters of objection to the amended rules correcting this error were filed with the Rules Review Commission on July 31, 2025. Because of this, the current rules (with the error) will remain in effect until one of the following occurs:

- Pursuant to G.S. 150B-21.3(b2), the two proposed rules are disapproved by the legislature; or
- Pursuant to G.S. 150B-21.3(b1), these rules will not be effective until the thirty-first legislative day of the current session of the General Assembly, unless further action is taken. The effective date of these rules is subject to change if the legislature adjourns this session before the thirty-first legislative day without taking further action.

As a result, the current version of the rules requires ACLS to not issue the 10 demerit points to providers who receive a suspension of admissions related to care pursuant to G.S. 131D-2.1. Additionally, this error also requires ACLS to issue 10 demerit points when a facility's admissions are suspended for failure to submit a cost report in accordance with G.S. 131D-4.2. Providers should be aware of the potential impacts of the current rules so long as it remains in effect. When there is an update to share, we will send out communication to all providers; however, the current rules approved on January 30, 2025, is in effect as of today, August 1, 2025.

Please be sure to share this information with your staff and colleagues, and thank you for the work that you and your staff do each day to care for the residents living in N.C. adult care homes and family care homes.

Please direct any questions you may have about this memorandum to
DHSR.AdultCare.Questions@dhhs.nc.gov.

Enclosures: DHSR ACLS Star Rating Merit Point Opportunities Guide

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N.C. Star Rating Program

Merit Point Opportunities Criteria

Evaluated During Initial, Annual & Biennial Surveys

Resident Council

Merit Points— .5 pts.

- ◆ The facility has an established Resident Council.
- ◆ Resident Council meets at least quarterly.
- ◆ The facility engages the Resident Council and is responsive to their ideas, requests and concerns.

Family Council

Merit Points— .5 pt.

- ◆ The facility has an established Family Council.
- ◆ The Family Council meets at least quarterly.
- ◆ The facility engages with the Family Council and is responsive to their ideas, suggestions and concerns.

"Infection Control in Long Term Care Facilities" Course

Merit Points— .5 pt.

- ◆ The facility has a designated on-site staff member who directs the facility's infection control activities.
- ◆ The designated on-site staff member who directs the facility's infection control activities completed the "Infection Control in Long Term Care Facilities" course offered by the University of North Carolina SPICE program within the past two (2) years.

Third Party Resident and Family Satisfaction Surveys

Merit Points— 1.0 pt.

- ◆ The facility conducts a Resident and Family Satisfaction Survey at least annually.
- ◆ Resident and Family Satisfaction Surveys are conducted by a third-party company not affiliated with the facility.
- ◆ The results of the Resident and Family Satisfaction Surveys are available upon request and in a location accessible to residents, families and visitors.

Quality Improvement (QI) Program

Merit Points— 2.5 pts.

- ◆ The facility has written policies and procedures related to the implementation of a QI program.
- ◆ The facility has established a QI team.
- ◆ The QI team meets at least quarterly.
- ◆ The facility's QI team has identified at least one focus area or topic for improvement.
- ◆ The facility's QI team implemented measures to address the focus area/topic for improvement.

Emergency Power Back-Up

Merit Points— "New" 2.0 pts./"Existing" 1.0 pt.

- ◆ Facilities that have emergency power back-up (i.e. generator on-site or have a current contract for emergency power back-up) receive extra merit points based on whether the system is "new" or "existing."
 - ◆ "Existing" = Generator installed (or contract is dated) *before* July 3, 2008
 - ◆ "New" = Generator installed (or contract is dated) *after* July 3, 2008*
(*will be considered "existing" on subsequent annual/biennial surveys)

Automatic Sprinkler System

Merit Points— "New" 3.0 pts./"Existing" 2.0 pts.

- ◆ Facilities that have an automatic sprinkler system receive extra merit points based on whether the system is "new" or "existing."
 - ◆ "Existing" = Automatic sprinkler system installed *before* July 3, 2008
 - ◆ "New" = Automatic sprinkler system installed *after* July 3, 2008*
(*will be considered "existing" on subsequent annual/biennial surveys)

