

DHSR Adult Care Licensure Section

Fiscal Impact Analysis

Permanent Rule Adoptions without Substantial Economic Impact

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Impact: Federal Government Impact: No
State Government Impact: Yes
Local Government Impact: Yes
Private Entities Yes
Substantial Economic Impact: No

Titles of Rule Changes and N.C. Administrative Code citations

Rule Repeal:

10A NCAC 13F.0209 Conditions for License Renewal

10A NCAC 13G .0209 Conditions for License Renewal

10A NCAC 13G .0213 Appeal of Licensure Action

Rule Readoptions (*See proposed text of these rules in Appendix A*):

10A NCAC 13G .0202 The License

10A NCAC 13G .0204 Applying for a License to Operate a Home Not Currently
Licensed

10A NCAC 13G .0208 Renewal of License

10A NCAC 13G .02012 Denial and Revocation of License

Rule Amendments (*See proposed text of these rules in Appendix B*)

10A NCAC 13F .0202 The License

10A NCAC 13F .0204 Applying for a License to Operate a Facility Not Currently
Licensed

10A NCAC 13F .0208 Renewal of License

10A NCAC 13F .0212 Denial or Revocation of License

Authorizing Statutes: G.S. 131D-2.1; 131D- 2.4; 131D-2.5; 131D-2.7; 131D-4.3; 131D-4.5;
131D-2.16; 131D-29; 143B-165

Introduction and Background

Under the authority of G.S. 150B-21.3A, Periodic review and expiration of existing rules, the North Carolina Medical Care Commission and Rule Review Commission approved the Subchapter reports with classifications for the rules under 10A NCAC 13F Licensing of Adult Care Homes of Seven or More Beds and 10A NCAC 13G Licensing of Family Care Homes. The rules were classified in the reports as necessary with substantive public interest. Rules 10A NCAC 13G .0202, .0204, .0208 and .0212 are being presented for readoption with substantive changes. The following rules were not identified for readoption with substantive changes based on public comment but are being proposed for amendment to correlate with the 13G rules of same title and similar content being proposed for readoption: 10A NCAC 13F .0202, 13F .0204, 13F .0208 and 13F .0212. Most of the rules for both types of assisted living residences, adult care homes of seven beds or more and family care homes, are the same with the primary exception of staffing and physical plant requirements since they serve the same population based on need for care and services. Therefore, the 13F rules corresponding to the 13G rules being proposed for readoption with changes are being amended concurrently to assure this traditional consistency. Rules 10A NCAC 13F .0209, 13G .0209 and 13G .0213 are being readopted as repeals and will not be discussed in this analysis.

Rule Summary and Anticipated Fiscal Impact

10A NCAC 13G .0202/10A NCAC 13F .0202 The License: These rules address the issuance of licenses for family care homes and adult care homes of seven beds or more based on application and disclosure of specific information, the posting of the license and a provisional license if issued, and the nature of the license.

1. In Paragraph (a), the reference to Subchapter Rule .0203 is proposed for deletion since that rule is being repealed and reference is being made to the law regarding the issuance of a license and to Subchapter Rule .0204 that addresses the license application process.

Fiscal Impact: None

2. In proposed Paragraph (c), the requirement of posting a provisional license conspicuously in the facility is an addition to this rule.

Rationale: The addition is necessary to complement the posting requirement in Paragraph (b) of this Rule. Since the provisional license becomes the facility's current license until its expiration, the disclosure of the current status of the license should be made well-visible to residents and the public to the same extent as a standard license. The law addressing provisional licenses is cited here for reference purposes.

Fiscal Impact: This proposed change to posting "conspicuously" carries no determinable or quantifiable fiscal impact from current rule. Current rule already requires posting and the change simply assures posting in a clearly visible location to the public eye.

3. Proposed Paragraph (e) contains the statement indicating that the facility will be issued and hold only one license from the Division of Health Services Regulation (DHSR), being a family care home license or an adult care home license, and not hold any other license from a licensing entity.

Rationale: This has been the case in DHSR policy for at least 30 years with no other rules or law allowing for more than one license. There is no record of double licensing being allowed but this change formalizes the long-held policy to assure that there is no sharing of licensing and regulatory authority that may impact care of residents and create confusion across lines of authority and services. If a family care home or adult care home desires to change their level of services, a new license must be applied for and would replace the current license.

Fiscal Impact: There is no fiscal impact to this proposed change in rule since historically there has never been multiple licenses allowed for family care homes.

4. This section only applies to 10A NCAC 13G .0202. Current Paragraphs (c) and (d) are proposed for deletion because G.S. 131D-2.4 and G.S. 131D-2.7 address how long the license is in effect and the issuance of a provisional license, and so the citation for these is no longer correct.

Rationale: The reorganization of G.S. 131D-2 in 2009 requires new law references in rules being readopted that contain such references.

Fiscal Impact: There is no fiscal impact to the correct identification of the law based on its reorganization.

Notification of Applicant Licensee and County Department of Social Services

Proposed paragraph (d) of 10A NCAC 13G .0204 and proposed paragraph (d) of 10A NCAC 13F .0204 both require written notification of DHSR's decision regarding the licensing of the facility within 14 days of the licensing decision to the applicant licensee and the county department of social services in which the facility is located. The proposed addition to Paragraph (c) of 10A NCAC 13G .0204 is a listing of what is required for a facility to be licensed.

Rationale: These proposed requirements have been established DHSR policy and procedure for at least ten years and, therefore, the standard of licensure practice that has been consistently followed over that period. The incorporation into rule assures DHSR the authority to deny a

license if conditions are not met, objectivity in that decision-making process by DHSR, and clarity to applicant licensees on the process and consistency in its application. The 14-day written notification period is in line with both past and current practice. By adding the 14-day period to the rule, DHSR is providing the applicant awareness of an expected timeframe for DHSR's decision to license or not to license the facility. It has typically and traditionally been provided well within a 14-day time period.

Fiscal Impact: The incorporation of long-established licensure practice into rule does not involve additional cost for affected parties since it has been the accepted standard of licensure practice for many years and forms the baseline. Email is and has been an acceptable form of written notification.

10A NCAC 13G .0204: This section discusses the rule impacts regarding the license application process for family care homes not currently licensed by specifying how and what information needs to be submitted to the Adult Care Licensure Section (ACLS) and the basis on which the Section can issue a license.

1. Paragraph (a) contains strictly clarifying information with no fiscal impact. Current Paragraph (b) is proposed for deletion because it is outdated by not reflecting current practice.

Rationale: While the county departments of social services still collect the information to forward to ACLS, they do not make any determination about applicant administrators since they are pre-approved by ACLS and county staff should not be in the position of determining if the requirements of the home can be met. That is determined by the Construction Section in its review of physical plant and ACLS in its review of policies and procedures as has been customary for many years per licensure rules regarding construction and facility policies and procedures. The shift in policies and procedures for review of all licensure application through the counties occurred over ten years ago

Fiscal Impact: There is positive fiscal impact due to cost savings by the county department of social services not reviewing/studying license application material to either return to applicant or submit to DHSR. However, those savings are indeterminable because of the inability to project the number of family care home applications that will be received in the future each year by the 97 county departments of social. This number varies considerably by county and any data related to the time required on such a process has not been followed for over ten years. Currently there are 633 licensed family care homes across the state. There is also no data on any applications returned to applicants instead of forwarding to DHSR for review and processing. Neither is there any data on any possible non-recommended applications by the county that the applicant may have requested to be forwarded to DHSR in spite of a lack of recommendation by the county. There would be no additional cost to the State in DHSR staff time since it has always been the responsibility of DHSR to review and process all licensure applications it receives. There may have been some minimal cost savings to the State in not having to review any applications that were not forwarded from counties, but again, these savings cannot be determined due to the lack of any data from so many years ago.

2. Paragraph (b) adds the requirement of submission of application material by the county departments of social services to DHSR within a 10-business-day time period and specifies information to be provided by the applicant on the application.

Rationale: While most applications are submitted within that time frame, this specified time frame will help assure timely submittal by all counties so that the licensing process is not delayed which happens occasionally and results in inquiries by applicants of the county and DHSR and by the Division of Social Services in the counties. Failure to submit applications within a specified time frame may negatively impact the annual evaluation of the county department of social services because the Division has oversight of the county's work in the area of adult and family care home regulation under the direction and leadership of DHSR. Part 1 of this paragraph lists what information the license application requires which is what has been on the application currently being used. Part (4) lists what has been in narrative format to make it easier and clearer to follow. The same holds true for Part (5) plus deletion of phrase in Subpart (c) regarding number of residents and evacuation capability which has to be evaluated and approved by the Construction Section of DHSR. Part (6) references the license fee required by law and deletes references to the Construction review fee which is being proposed for inclusion in Section .0300 of this Subchapter which contains the physical plant rules being readopted.

Fiscal Impact: The organizational changes in content have no fiscal impact. The 10-day period for submission of license application by the county to the Division is within the normal time range of submission. Failure to meet that would not result in any fiscal impact since the county is not fined for singular failures such as this. Any negative impact would be in the Division's periodic evaluation of the county's work.

3. Paragraphs (d), (e), and (f) addressing responsibilities of DHSR's Construction are proposed for deletion.

Rationale: The physical plant rules in Section .0300 of this Subchapter will be readopted to incorporate the requirements in Paragraphs (d), (e) and (f) with possible revisions by the Construction Section which is responsible for building plan reviews.

10A NCAC 13F .0204: This rule directs the license application process for adult care homes of seven or more beds not currently licensed by specifying how and what information needs to be submitted to the Adult Care Licensure Section (ACLS) and the basis on which the Section can issue a license.

1. Paragraph (b)(1) lists what information the license application requires. This information has been on the application currently being used but is now being proposed for disclosure in rule for the purposes of transparency and clarity. Contact information is also updated. Part (2) references the fee requirement in law and the responsibility of the Construction Section to calculate and invoice the fee, which has been and is currently Division policy.

Rationale: Updating of information is required and the inclusion of operational policy in current and traditional practice for several years and as referenced in law is added to assure conformity with current and traditional policy implementation and practice.

Fiscal Note: Since these requirements uphold past and current policy with no change in implementation, there is no additional cost to implementation of the requirements and general statute.

10A NCAC 13G .0208/10A NCAC 13F .0208: This rule addresses when and how a home's license is to be renewed, including information about the licensee and home to be considered for renewal. Rules 13G .0208 and .0209 are proposed for consolidation since contents of both are about license renewal and having just one rule for renewal streamlines the regulatory requirements in a cohesive, logical and non-repetitive manner. Rules 13F .0208 and .0209 are also proposed for consolidation for the same reasons as Rules 13G .0208 and .0209. Therefore, Rule 13G .0208 and Rule 13F .0208 are proposed for re-adoption to incorporate the requirements of Rule 13G .0209 and Rule 13F .0209, respectively, which are both being proposed for repeal as to being unnecessary with re-adoption of 13G .0208 and 13F .0208.

1. Paragraph (a) has deletion of reference to Rule .0209 which is proposed for repeal due to its proposed consolidation into this Rule, .0208. Forms have always been provided at no cost but it is stated directly so for re-adoption. The other deletions in this paragraph are a result of the requirements being moved to Paragraphs (b) and (c) of this Rule for reorganization purposes to be inclusive of requirements in repealed Rule .0209 and for greater clarity. The non-refundable license fee has been mandated by G.S. 131D-2.5 for many years. The contents of the renewal application are listed for greater clarity and disclosure purposes.

Rationale: The changes are proposed for clarity and organizational purposes to allow for the incorporation of repealed Rule .0209 for consolidation of two rules addressing license renewal. The content of both rules lends itself to this reorganization and consolidation.

Fiscal Impact: No costs are associated with these changes.

2. Paragraph (b) of current rule is proposed for deletion to have its contents included in the proposed Paragraph (b), which incorporates the requirements in Rule .0208 and .0209 that are currently proposed for repeal.

Rationale: The changes are a result of incorporating requirements from current Rule .0208 and Rule .0209 that are proposed for repeal for consolidation purposes. The requirement of (b) as proposed for deletion is proposed as (a)(3) of this rule for organizational purposes.

Fiscal Note: Changes are reorganizational to allow for incorporation of repealed Rule .0209 and have no fiscal impact.

3. Paragraph (c) is a repeat of requirement being deleted in Paragraph (a).

Rationale: This change reorganizes the language in the previous rule and provides for clarity as Rules .0208 and .0209 are consolidated.

Fiscal Impact: None

10A NCAC 13G .0212/10A NCAC 13F .1212: These rules address the regulatory action of DHRS in denying and revoking facility licenses.

Paragraphs (b) and (c) contain technical changes for clarity and an updated statutory reference with no fiscal impact.

Paragraph (d) is proposed to require a facility's written notification of resident and responsible person of the notice of revocation of the facility's license. The notification is to be within five calendar days of facility's receipt of the revocation notice.

Rationale: Residents and their responsible persons should be clearly made aware of the revocation of the license of the facility, the residents' home, within a reasonable amount of time so that plans can be made accordingly for relocation. Furthermore, notification in writing provides its own documentation for regulatory compliance purposes as opposed to just verbal communication.

Fiscal Note: Notification is already required in current rule, just not in written form. Since verbal notification itself needs documentation to assure compliance with the rule, the fiscal impact on the facility of written notification is negligible.

Conclusion:

The proposed rule readoptions and amendments in this report are intended to update rules to bring them into line with current licensure processes and procedures, update statutory references, clarify wording and unify family care home and adult care home rules as much as possible for efficient and effective regulation since both types of assisted living facilities are licensed and intended by law to serve residents with similar needs for care and services. This ensures consistency of regulation of facility types determined by capacity in regard to issuing and renewing facility licenses. The proposed changes also include notification timeframes of residents by facilities and of the county departments and applicant licensees by DHSR thereby formalizing DHSR's traditional standards of practice and assuring full transparency and disclosure.

These rule readoptions and amendments concur with licensing and license renewal practices of the past 10 years resulting from law and policy changes impacting process and procedures of the Adult Care Licensure Section of the Division of Health Service Regulation. The changes provide clear guidance and expectations based on current licensure practice to adult care home and family care home licensees to ensure a more streamlined and efficient licensure process. Fiscal impact is minimal in most cases and indeterminable in another where historical and current data is not available or inaccessible.

10A NCAC 13G .0202 is proposed for readoption with substantive changes as follows:

10A NCAC 13G .0202 THE LICENSE

- (a) Except as otherwise provided in ~~Rule .0203 of this Subchapter~~, G.S. 131D-2.4, the Department of Health and Human Services shall issue a family care home license to any person who submits ~~an application on the forms provided by the Department with a non-refundable license fee as required by G.S. 131D-2(b)(1)~~ the application material according to Rule .0204 of this Section and the Department determines that the applicant complies with the provisions of all ~~applicable State family care~~ adult care home licensure statutes and ~~rules~~. rules of this Subchapter. All applications for a new license shall disclose the names of individuals who are co-owners, partners, or shareholders holding an ownership or controlling interest of five percent or more of the applicant entity.
- (b) The license shall be conspicuously posted in a public place in the home.
- ~~(c) The license shall be in effect for 12 months from the date of issuance unless revoked for cause, voluntarily or involuntarily terminated, or changed to provisional licensure status.~~
- ~~(d) A provisional license may be issued in accordance with G.S. 131D-2(b).~~
- ~~(c)~~ (c) When a provisional license is ~~issued~~, issued according to G.S. 131D-2.7, the administrator shall post the provisional license and a copy of the notice from the Division of Health Service Regulation identifying the reasons for it, conspicuously in a public place in the home in place of the full license.
- ~~(d)~~ (d) The license is not transferable or assignable.
- ~~(c)~~ (c) A family care home shall be licensed only as a family care home and not for any other level of care or licensable entity or service. The license shall be terminated when the home is licensed to provide a higher level of care or a combination of a higher level of care and family care home level of care.

*History Note: Authority G.S. 131D-2.4; 131D-2.7; 131D-2.16; 131D-4.5; 143B-165;
Eff. January 1, 1977;
Readopted Eff. October 31, 1977;
Amended Eff. April 1, 1984;
Temporary Amendment Eff. January 1, 1998;
Amended Eff. April 1, 1999;
Temporary Amendment Eff. December 1, 1999;
Amended Eff. July 1, 2000;
Temporary Amendment Eff. July 1, 2004;
Amended Eff. July 1, ~~2005~~. 2005;
Readopted Eff. April 1, 2020.*

10A NCAC 13F .0202 is proposed for amendment as follows:

10A NCAC 13F .0202 THE LICENSE

- (a) Except as otherwise provided in ~~Rule .0203 of this Section,~~ G.S. 131D-2.4, the Department shall issue an adult care home license to any person who submits the application material according to Rule .0204 of this Section and the Department determines that the applicant complies with the provisions of all ~~applicable~~ State adult care home licensure statutes and ~~rules.~~ rules of this Subchapter. All applications for a new license shall disclose the names of individuals who are co-owners, partners, or shareholders holding an ownership or controlling interest of five percent or more of the applicant entity.
- (b) The license shall be conspicuously posted in a public place in the home.
- (c) When a provisional license is ~~issued,~~ issued according to G.S. 131D-2.7, the administrator shall post the provisional license and a copy of the notice from the Division of Health Service Regulation identifying the reasons for it, conspicuously in a public place in the home and in place of the full license.
- (d) The license is not transferable or assignable.
- (e) An adult care home shall be licensed only as an adult care home and not for any other level of care or licensable entity or service. The license shall be terminated when the home is licensed to provide a higher level of care or a combination of a higher level of care and adult care home level of care.

History Note: Authority G.S. 131D-2.4; 131D-2.7; 131D-2.16; 131D-4.5; 143B-165;
Eff. January 1, 1977;
Readopted Eff. October 31, 1977;
Temporary Amendment Eff. July 1, 2003;
Amended Eff. June 1, 2004;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. March 6,
~~2018- 2018;~~
Amended Eff. April 1, 2020.

Temporary Amendment Eff. September 1, 2003;
Amended Eff. July 1, 2005; July 1, ~~2004.~~ 2004;
Readopted Eff. April 1, 2020.

10A NCAC 13G .0204 is proposed for readoption with substantive changes as follows:

10A NCAC 13G .0204 APPLYING FOR A LICENSE TO OPERATE A HOME NOT CURRENTLY LICENSED

(a) An application for a license to operate a family care home for adults in an existing building where no alterations are necessary as determined by the Construction Section of the Division of Health Service Regulation or a family care home ~~which that~~ is to be constructed, added ~~to~~ to, or renovated shall be made at the county department of social services ~~in the county where the licensed family care home will be located.~~

~~(b) If during the study of the administrator and the home, it does not appear that the qualifications of the administrator or requirements for the home can be met, the county department of social services shall so inform the applicant, indicating in writing the reason and give the applicant an opportunity to withdraw the application. Upon the applicant's request, the application shall be completed and submitted to the Division of Health Service Regulation for consideration.~~

~~(c)~~(b) The applicant shall submit the following ~~forms and reports through~~ material to the county department of social services for submission to the Division of Health Service Regulation: Regulation within ten business days of receipt by the county department of social services:

- (1) the Initial Licensure ~~Application;~~ Application that is available online at <https://info.ncdhhs.gov/dhsr/acls/pdf/acchgapp.pdf> at no cost and includes the following:
 - (A) contact person, facility site and mailing addresses, and administrator;
 - (B) operation disclosure including names and contact information of licensee, management company, and building owner;
 - (C) ownership disclosure including names and contact information of owners, principals, affiliates, shareholders, and members; and
 - (D) bed capacity;
- (2) an approval letter from the local zoning jurisdiction for the proposed location;
- (3) a photograph of each side of the existing structure and at least one of each of the interior spaces if an existing structure;
- (4) a set of blueprints or a floor plan of each level indicating the following:
 - (A) the layout of all ~~rooms,~~ rooms;
 - (B) the room dimensions (including ~~closets), closets);~~
 - (C) the door widths (exterior, bedroom, ~~bathroom bathroom,~~ and kitchen ~~doors), doors);~~
 - (D) the window sizes and window sill ~~heights,~~ heights;
 - (E) the type of ~~construction,~~ construction;
 - (F) the use of the basement and ~~attic,~~ attic; and
 - (G) the proposed resident bedroom locations including the number of occupants and the bedroom and number (including the ages) of any non-resident who will be residing within the home;
- (5) a cover letter ~~or transmittal form~~ prepared by the adult home specialist of the county department of social services ~~identifying~~ stating the following:

- (A) the prospective home site address, address;
 - (B) the name of the contact person (including address, telephone numbers, fax numbers), email address); and
 - (C) the name and address of the applicant (if different from the contact person) and the total number and the expected evacuation capability of the residents; person); and
- (6) a construction review fee according to G.S. 131E 267, a non-refundable license fee as required by G.S. 131D-2.5.

~~(d) The Construction Section of the Division of Health Service Regulation shall review the information and notify the applicant and the county department of social services of any required changes that must be made to the building to meet the rules in Section .0300 of this Subchapter along with the North Carolina State Building Code. At the end of the letter there shall be a list of final documentation required from the local jurisdiction that must be submitted upon completion of any required changes to the building or completion of construction.~~

~~(e) Any changes to be made during construction that were not proposed during the initial review shall require the approval of the Construction Section to assure that licensing requirements are maintained.~~

~~(f) Upon receipt of the required final documentation from the local jurisdiction, the Construction Section shall review the information and may either make an on-site visit or approve the home for construction by documentation. If all items are met, the Construction Section shall notify the Adult Care Licensure Section of the Division of Health Service Regulation of its recommendation for licensure.~~

~~(g) Following review of the application, references, all forms and the Construction Section's recommendation for licensure, a pre-licensing visit shall be made by a consultant of the Adult Care Licensure Section. The consultant shall report findings to the Division of Health Service Regulation which shall notify, in writing, the applicant and the county department of social services of the decision to license or not to license the family care home.~~

(c) Issuance of a family care home license shall be based on the following:

- (1) successful completion and approval of Subparagraphs 1 through 6 of Paragraph (b) of this Rule;
- (2) the Division of Health Service Regulation's Construction Section's recommendation of licensure based on compliance with rules in Section .0300 of this Subchapter;
- (3) a compliance history review of the facility and its principals and affiliates according to G.S. 131D-2.4;
- (4) approval by the Adult Care Licensure Section of the facility's operational policies and procedures based on compliance with the rules of this Subchapter; and
- (5) the facility's demonstration of compliance with Adult Care Home statutes and rules of this Subchapter as determined by a pre-licensing survey of the facility by the Adult Care Licensure Section.

(d) The Adult Care Licensure Section shall notify in writing the applicant licensee and the county department of social services of the decision to license or not to license the adult care home based on compliance with adult care home statutes and the rules of this Subchapter within 14 days from the decision to license or not to license the facility.

*History Note: Authority G.S. 131D-2.4; 131D-2.5; 131D-2.16; 143B-165;
Eff. January 1, 1977;
Readopted Eff. October 31, 1977;
Amended Eff. July 1, 1990; April 1, 1987; April 1, 1984;
ARRC Objection Lodged November 14, 1990;
Amended Eff. May 1, 1991;
Temporary Amendment Eff. September 1, 2003;
Amended Eff. July 1, 2005; July 1, ~~2004~~ 2004;
Readopted Eff. April 1, 2020.*

10A NCAC 13F .0204 is proposed for amendment as follows:

10A NCAC 13F .0204 APPLYING FOR A LICENSE TO OPERATE A FACILITY NOT CURRENTLY LICENSED

(a) Prior to submission of a license application, all Certificate of Need requirements shall be met according to G.S. 131E, Article 9.

(b) In applying for a license to operate an adult care home to be constructed or ~~renovated~~ renovated, or in an existing building that is not currently licensed, the applicant shall submit the following to the Division of Health Service Regulation:

- (1) the Initial License Application ~~which that~~ that is available ~~on the internet website, online at <http://facility-services.state.nc.us/gepage.htm>~~ <https://info.ncdhhs.gov/dhsr/acls/pdf/fcchgapp.pdf> at no cost and includes the following: ~~or the Division of Health Service Regulation, Adult Care Licensure Section, 2708 Mail Service Center, Raleigh, NC 27699-2708;~~
 - (A) contact person, facility site and mailing addresses, and administrator;
 - (B) operation disclosure including names and contact information of the licensee, management company, and building owner;
 - (C) ownership disclosure including names and contact information of owners, principals, affiliates, shareholders, and members; and
 - (D) bed capacity including that of any special care unit for Alzheimer's and Related Disorders;

- (2) plans and specifications as required in Section .0300 of this Subchapter and a construction review fee according to ~~G.S. 131E-267~~; G.S. 131E-267 to be calculated and invoiced by the DHSR Construction Section;
- (3) an approved fire and building safety inspection report from the local fire marshal to be submitted upon completion of construction or renovation;
- (4) an approved sanitation report or a copy of the permit to begin operation from the sanitation division of the county health department to be submitted upon completion of construction or renovation;
- (5) a nonrefundable license fee as required by G.S. ~~131D-2(b)(1)~~; G.S. 131D-2.5; and
- (6) a certificate of occupancy or certification of compliance from the local building official to be submitted upon completion of construction or renovation.

Note: Rule .0207 of this Section applies to obtaining a license to operate a currently licensed facility.

(c) ~~A pre-licensing survey shall be made by program consultants of the Division of Health Service Regulation and an adult home specialist of the county department of social services.~~ Issuance of an adult care home license shall be based on the following:

- (1) successful completion and approval of Subparagraphs 1 through 6 of Paragraph (b) of this Rule;
- (2) the Division of Health Service Regulation's Construction Section's recommendation of licensure based on compliance with rules in Section .0300 of this Subchapter;
- (3) a compliance history review of the facility and its principals and affiliates according to G.S. 131D-2.4;
- (4) approval by the Adult Care Licensure Section of the facility's operational policies and procedures based on compliance with the rules of this Subchapter; and
- (5) the facility's demonstration of compliance with Adult Care Home statutes and rules of this Subchapter as determined by a pre-licensing survey of the facility by the Adult Care Licensure Section.

(d) ~~The Division of Health Service Regulation shall provide to the applicant written notification of the decision to license or not to license the adult care home.~~ The Adult Care Licensure Section shall notify in writing the applicant licensee and the county department of social services of the decision to license or not to license the adult care home based on compliance with adult care home statutes and the rules of this Subchapter within 14 days from the decision to license or not to license the facility.

History Note: Authority G.S. 131D-2.4; 131D-2.5; 131D-2.16; 143B-165;

Readopted Eff. October 31, 1977;

Amended Eff. April 1, 1984;

Temporary Amendment Eff. September 1, 2003;

Amended Eff. June 1, 2004;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. March 6, 2018. 2018;

Amended Eff. April 1, 2020.

10A NCAC 13G .0208 is proposed for re adoption with substantive changes as follows:

10A NCAC 13G .0208 RENEWAL OF LICENSE

(a) ~~The license shall be renewed annually;~~ licensee shall file a license renewal application annually on a calendar year basis except as otherwise provided in Rule .0209 of this Subchapter, if the licensee submits an application for renewal on the forms provided by the Department at no cost and the Department determines that the licensee complies with the provisions of all applicable State adult care home licensure statutes and rules. When violations of licensure rules or statutes are documented and have not been corrected prior to expiration of license, the Department shall either approve a continuation or extension of a plan of correction, issue a provisional license, or revoke the license for cause. with a nonrefundable annual license fee according to G.S. 131D-2.5. The renewal application includes the following:

- (1) contact person, facility site and mailing address, and administrator;
- (2) operation disclosure including names and contact information of the licensee, management company, and building owner;
- (3) ownership disclosure including names and contact information of owners, principals, affiliates, shareholders, and members holding an ownership or controlling interest of five percent or more of the applicant entity;
- (4) bed capacity; and
- (5) population and census data.

~~(b) All applications for license renewal shall disclose the names of individuals who are co-owners, partners or shareholders holding an ownership or controlling interest of 5% or more of the applicant entity.~~

(b) In determining whether to renew a license under G.S. 131D-2.4, the Department shall take into consideration at least the following:

- (1) the compliance history of the applicant facility with the provisions of all State adult care home licensure statutes and rules of this Subchapter;
- (2) the compliance history of the owners, principals and affiliates of the applicant facility in operating other adult care homes in the State;
- (3) the extent to which the conduct of a related facility, its owners, principals, and affiliates is likely to affect the quality of care at the applicant facility; and
- (4) the hardship on residents of the applicant facility if the license is not renewed.

(c) When violations of licensure rules or statutes are documented by the Department and have not been corrected by the facility prior to license expiration, the Department shall either approve a continuation or extension of a plan of correction, issue a provisional license, or deny the license.

History Note: Authority G.S. 131D-2.4; 131D-2.16; 131D-4.5; 143B-165;

Eff. January 1, 1977;

Readopted Eff. October 31, 1977;

Amended Eff. December 1, 1992; July 1, 1990; April 1, 1987; April 1, 1984;

Temporary Amendment Eff. December 1, 1999;

Amended Eff. July 1, ~~2000~~ 2000;

Readoption Eff. April 1, 2020.

10A NCAC 13F .0208 is proposed for amendment as follows:

10A NCAC 13F .0208 RENEWAL OF LICENSE

(a) ~~The license shall be renewed annually;~~ licensee shall file a license renewal application annually on a calendar year basis except as otherwise provided in Rule .0209 of this Subchapter, if the licensee submits an application for renewal on the forms provided by the Department at no cost with a nonrefundable annual license fee according to G.S. 131D-2(b)(1) and the Department determines that the licensee complies with the provisions of all applicable State adult care home licensure statutes and rules. When violations of licensure rules or statutes are documented and have not been corrected prior to expiration of license, the Department shall either approve a continuation or extension of a plan of correction, issue a provisional license, or revoke the license. G.S. 131D-2.5. The renewal application form includes the following:

- (1) contact person, facility site and mailing address, and administrator;
- (2) operation disclosure including names and contact information of the licensee, management company, and building owner;
- (3) ownership disclosure including names and contact information of owners, principals, affiliates, shareholders, and members holding an ownership or controlling interest of five percent or more of the applicant entity;
- (4) bed capacity including that of any special care unit for Alzheimer's and Related Disorders; and
- (5) population and census data.

~~(b) All applications for license renewal shall disclose the names of individuals who are co owners, partners or shareholders holding an ownership or controlling interest of five percent or more of the applicant entity.~~

(b) In determining whether to renew a license under G.S. 131D-2.4, the Department shall take into consideration at least the following:

- (1) the compliance history of the applicant facility with the provisions of all State adult care home licensure statutes and rules of this Subchapter;
- (2) the compliance history of the owners, principals, and affiliates of the applicant facility in operating other adult care homes in the State;

(3) the extent to which the conduct of a related facility, its owners, principals, and affiliates is likely to affect the quality of care at the applicant facility; and

(4) the hardship on residents of the applicant facility if the license is not renewed.

(c) When violations of licensure rules or statutes are documented by the Department and have not been corrected by the facility prior to license expiration, the Department shall either approve a continuation or extension of a plan of correction, issue a provisional license, or deny the license.

History Note: Authority G.S. 131D-2.4; 131D-2.5; 131D-2.16; 143B-165;

Eff. January 1, 1977;

Readopted Eff. October 31, 1977;

Temporary Amendment Eff. December 1, 1999;

Amended Eff. July 1, 2000;

Temporary Amendment Eff. July 1, 2003;

Amended Eff. June 1, 2004;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. March 6, 2018. 2018;

Amended Eff. April 1, 2020.

10A NCAC 13G .0212 is proposed for re Adoption with substantive changes as follows:

10A NCAC 13G .0212 DENIAL AND REVOCATION OF LICENSE

(a) A license may be denied by the Division of Health Service Regulation for failure to comply with the rules of this Subchapter.

(b) Denial of a license by the Division of Health Service Regulation shall be effected by mailing to the ~~applicant,~~ applicant licensee, by registered mail, a notice setting forth the particular reasons for such action.

(c) A license may be revoked by the Division of Health Service Regulation in accordance with ~~G.S. 131D-2(b)~~ G.S. 131D-2.7(b) and G.S. 131D-29.

(d) When a facility receives a notice of revocation, the administrator shall inform each resident and ~~his~~ the resident's responsible person in writing of the notice and the basis on which it was ~~issued.~~ issued within five calendar days of the notice of revocation being received by the licensee of the facility.

History Note: Authority G.S. 131D-2.7; 131D-2.16; 131D-4.3; 131D-29; 143B-165;

Eff. January 1, 1977;

Readopted Eff. October 31, 1977;

Amended Eff. April 1, 1984; May 1, 1981;

Temporary Amendment Eff. January 1, 1998;
Amended Eff. April 1, ~~1999~~ 1999;
Readopted Eff. April 1, 2020.

10A NCAC 13F .0212 is proposed for amendment as follows:

10A NCAC 13F .0212 DENIAL OR REVOCATION OF LICENSE

- (a) A license may be denied by the Division of Health Service Regulation for failure to comply with the rules of this Subchapter.
- (b) Denial of a license by the Division of Health Service Regulation shall be effected by mailing to the ~~applicant,~~ applicant licensee, by registered mail, a notice setting forth the particular reasons for such action.
- (c) A license may be revoked by the Division of Health Service Regulation in accordance with ~~G.S. 131D-2(b)~~ G.S. 131D-2.7(b) and G.S. 131D-29.
- (d) When a facility receives a notice of revocation, the administrator shall inform each resident and the resident's responsible person in writing of the notice and the basis on which it was ~~issued.~~ issued within five calendar days of the notice of revocation being received by the licensee of the facility.

History Note: Authority G.S. 131D-2.7; 131D-2.16; 131D-4.3; 131D-29; 143B-165;
Eff. January 1, 1977;
Readopted Eff. October 31, 1977;
Temporary Amendment Eff. July 1, 2003;
Amended Eff. June 1, 2004;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. March 6,
~~2018~~ 2018;
Amended Eff. April 1, 2020.