

ACT No. 417

2017 Regular Session

HOUSE BILL NO. 402

BY REPRESENTATIVE HAVARD

1 AN ACT

2 To amend and reenact R.S. 40:2166.7.1 and to enact R.S. 40:2006(A)(2)(r), (B)(2)(i), and
3 (E)(2)(t), 2154(A)(19), and Part V of Chapter 11 of Title 40 of the Louisiana Revised
4 Statutes of 1950, to be comprised of R.S. 40:2162.1 through 2162.8, relative to
5 healthcare facilities licensed and regulated by the Louisiana Department of Health;
6 to define and provide for licensure and regulation of community-based care facilities;
7 to authorize the Louisiana Department of Health to perform licensing and regulatory
8 functions with respect to such facilities; to provide for community-based care facility
9 license applications, issuance, renewal, and fees; to authorize licensure of
10 community-based care facilities which propose to operate in state-owned residential
11 buildings; to provide relative to the moratorium on licensure of level 4 adult
12 residential care providers; to provide for effectiveness; and to provide for related
13 matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 40:2166.7.1 is hereby amended and reenacted and R.S.
16 40:2006(A)(2)(r), (B)(2)(i), and (E)(2)(t), 2154(A)(19), and Part V of Chapter 11 of Title 40
17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:2162.1 through 2162.8, are
18 hereby enacted to read as follows:

19 §2006. Fees; licenses; penalties

20 A.

21 * * *

22 (2) This Subsection shall apply to any licensed:

23 * * *

1 (r) Community-based care facility.

2 B.

3 * * *

4 (2) This Subsection shall apply to any licensed:

5 * * *

6 (i) Community-based care facility.

7 * * *

8 E.

9 * * *

10 (2) This Subsection shall apply to any licensed:

11 * * *

12 (t) Community-based care facility.

13 * * *

14 §2154. Applicability

15 A. The provisions of this Part shall not apply to the licensing of any of the
16 following facilities or persons and shall not be construed as requiring any of the
17 following facilities or persons to seek licensure as a behavioral health services
18 provider:

19 * * *

20 (19) Community-based care facilities licensed pursuant to R.S. 40:2162.1 et
21 seq.

22 * * *

23 PART V. COMMUNITY-BASED CARE FACILITIES

24 §2162.1. Short title

25 This Part may be cited as the "Community-Based Care Facility Licensing
26 Law".

27 §2162.2. Findings and purpose

28 A. The legislature hereby finds and declares the following:

29 (1) It is the policy of this state to ensure delivery of sufficient support
30 services in order to successfully transition adult patients with a primary diagnosis of

1 mental illness from inpatient psychiatric facilities to the most appropriate outpatient
2 setting.

3 (2) Repeated admissions of persons to inpatient psychiatric units is a
4 significant problem which often results in inadequate care and a failure to stabilize
5 the patient, especially if the patient is homeless or has unstable living arrangements.

6 (3) Community-based residential programs are a more cost-effective form
7 of treatment and a more appropriate treatment option for persons with mental illness
8 than emergency room visits, unnecessary long-term stays in psychiatric hospitals,
9 and incarceration.

10 (4) Licensing of community-based residential programs to operate in state-
11 owned residential buildings presents an opportunity for adaptive and innovative use
12 of those buildings and for optimization of state resources.

13 (5) Persons with a mental illness who are treated in a psychiatric facility and
14 released without a stable transitional plan of care are at high risk for hospitalization,
15 incarceration, and psychiatric readmission.

16 (6) It is a fiscal and public health priority of this state to establish a licensing
17 component for adult community-based residential facilities which has historically
18 been missing in the continuum of services for adults with a primary diagnosis of
19 mental illness.

20 B. The purpose of this Part is to authorize the Louisiana Department of
21 Health to promulgate and adopt rules, regulations, and standards to license and
22 regulate facilities to be operated as community-based care facilities in order to
23 provide for the health, safety, and welfare of persons with mental illness.

24 §2162.3. Definitions

25 As used in this Part, the following terms have the meaning ascribed in this
26 Section:

27 (1) "Applicant" means an entity applying for a community-based care
28 facility license from the Louisiana Department of Health.

1 (2) "Client" means any person who has been accepted for treatment or
2 services, including rehabilitation services, furnished by a facility licensed pursuant
3 to this Part.

4 (3) "Community-based care facility" means a facility where five or more
5 adults with a primary diagnosis of mental illness who are not related to the operator
6 or administrator and who do not require care above intermediate-level nursing care
7 reside and receive care, treatment, or services that are above the level of room and
8 board and include no more than three hours of nursing care per week per resident.

9 (4) "Community-based care services" means services provided in a
10 community-based care facility licensed pursuant to the provisions of this Part.

11 (5) "Department" means the Louisiana Department of Health.

12 (6) "Financial viability" means the ability of the licensee to maintain capital,
13 lines of credit, insurance, and other financial resources at levels deemed sufficient
14 by the Louisiana Department of Health for operation of a community-based care
15 facility.

16 (7) "License" means a license issued by the Louisiana Department of Health
17 to a community-based care facility.

18 §2162.4. Licensure of community-based care facilities

19 A. Each community-based care facility shall be licensed in accordance with
20 the requirements of this Part and the applicable rules of the department. No facility,
21 agency, institution, person, society, corporation, partnership, unincorporated
22 association, group, or other legal entity providing community-based care services
23 may be established, operated, or reimbursed through the Medicaid program unless
24 licensed as a community-based care facility by the department.

25 B. A license issued to a community-based care facility shall be issued only
26 for the owner and premises named in the license application.

27 C. A license issued pursuant to this Part shall be on a form prescribed by the
28 department and shall be valid for a twelve-month period beginning the month of
29 issuance unless revoked or otherwise suspended prior to that date.

1 D. A license issued pursuant to this Part shall not be transferable or
2 assignable.

3 E. Each licensed community-based care facility shall post its license in a
4 conspicuous place on the licensed premises.

5 §2162.5. Rules and regulations; licensing standards

6 A. The department shall adopt rules, regulations, and licensing standards in
7 accordance with the Administrative Procedure Act to provide for the licensure of
8 community-based care facilities; to provide for the safe operation and maintenance
9 of those facilities; and to provide for the health, safety, and welfare of clients.

10 B. The rules, regulations, and licensing standards required by this Section
11 shall include, without limitation, all of the following:

12 (1) Licensure application and renewal application forms, procedures, and
13 requirements.

14 (2) Operational and personnel requirements.

15 (3) Practice standards to assure quality of care.

16 (4) Practice standards to assure the health, safety, and welfare of clients.

17 (5) Confidentiality of client records.

18 (6) Initial and annual renewal of license.

19 (7) Financial viability requirements and requirements for verification and
20 continuous maintenance of financial viability.

21 (8) Denial, revocation, suspension, and nonrenewal of licenses and
22 procedures for appeals of such decisions.

23 (9) Facility construction and design.

24 (10) Other regulations or standards to ensure proper care and treatment of
25 clients.

26 §2162.6. License application, issuance, and renewal; fees; inspection

27 A. Each applicant shall submit a license application to the department on
28 forms prescribed by the department and shall provide with the application such
29 information as the department may require by rule.

1 B. Each application for licensure and each license renewal application shall
2 be accompanied by a nonrefundable license fee in the amount required pursuant to
3 R.S. 40:2006.

4 C. Following receipt of the completed initial licensing application and
5 license fee, the department shall perform an onsite survey and inspection. After the
6 onsite survey and inspection, if the department finds that the applicant meets the
7 requirements established in this Part and in the licensing standards adopted pursuant
8 to this Part, then the department shall issue a license to the applicant.

9 D. As a condition for renewal of its license, the licensee shall submit to the
10 department a completed annual renewal application on the forms prescribed by the
11 department, which shall contain all information required by the department along
12 with the annual license renewal fee pursuant to R.S. 40:2006. Upon receipt of the
13 completed annual renewal application and the annual license renewal fee, the
14 department shall determine whether the facility continues to meet the applicable
15 requirements for licensure. The department may perform an onsite survey and
16 inspection after receiving an annual renewal application. If the provider continues
17 to meet the applicable requirements for licensure, then the department shall issue a
18 license which shall be valid for the period specified in R.S. 40:2162.4.

19 E. The department may perform onsite inspections of community-based care
20 facilities at reasonable times as necessary to ensure compliance with the
21 requirements of this Part.

22 §2162.7. Facility operation in state-owned residential buildings authorized

23 The department may license community-based care facilities which propose
24 to operate in one or more state-owned residential buildings. The secretary of the
25 department shall direct the staff of the health standards section, and of any other
26 division of the department as he deems appropriate, to cooperate with and give
27 assistance to any applicant who seeks to operate a community-based care facility in
28 one or more state-owned residential buildings and is otherwise qualified for licensure
29 pursuant to this Part.

1 §2162.8. Program approval

2 Implementation of the program authorized by this Part shall be subject to
 3 approval by the Centers for Medicare and Medicaid Services and approval of the
 4 Joint Legislative Committee on the Budget.

5 * * *

6 §2166.7.1. Moratorium on licensure of level 4 adult residential care providers

7 Notwithstanding any other provision of law to the contrary, the department
 8 shall implement a moratorium on the licensure of additional level 4 adult residential
 9 care providers until ~~July 1, 2017~~ July 1, 2018. The moratorium shall not apply to a
 10 provider which has received facility need review approval from the department for
 11 a level 4 adult residential care provider on or before April 25, 2012.

12 Section 2. Implementation of the provisions of this Act shall only become effective
 13 in the event a specific appropriation by the legislature is made for such purposes and the
 14 program receives approval by the Centers for Medicare and Medicaid Services.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____