
HOUSE BILL 2954

State of Washington

61st Legislature

2010 Regular Session

By Representative Cody; by request of Department of Social and Health Services

Read first time 01/19/10. Referred to Committee on Health & Human Services Appropriations.

1 AN ACT Relating to license fees for nursing homes, boarding homes,
2 and adult family homes; and amending RCW 18.51.050, 18.20.050, and
3 70.128.060.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 18.51.050 and 1991 sp.s. c 8 s 1 are each amended to
6 read as follows:

7 (1)(a) Upon receipt of an application for a license, the department
8 shall issue a license if the applicant and the nursing home's
9 facilities meet the requirements established under this chapter, except
10 that the department shall issue a temporary license to a court-
11 appointed receiver for a period not to exceed six months from the date
12 of appointment(~~(. Prior to the issuance or renewal of the license, the~~
13 ~~licensee shall pay a license fee as established by));~~

14 (b) The department shall, by rule, set an annual per bed license
15 fee to be paid upon application for a nursing home license and upon
16 license renewal. The annual license fee shall be based on the cost to
17 the department for licensure of nursing homes. To address economic
18 trends and conditions, the department shall increase the per bed
19 license fee annually, on July 1st, by the lower of the percentage

1 change in the chain-weight implicit price deflator for personal
2 consumption expenditures or the consumer price index for the Seattle-
3 Tacoma-Bremerton consolidated metropolitan statistical area, as
4 published by the Washington state economic and revenue forecast
5 council. No fee shall be required of government operated institutions
6 or court-appointed receivers(~~(-)~~);

7 ~~((All licenses issued under the provisions of this chapter))~~ (c) A
8 license issued under this chapter shall not exceed thirty-six months in
9 duration, and it shall expire on a date ((to be)) set by the
10 department(, but no license issued pursuant to this chapter shall
11 exceed thirty-six months in duration.)); and

12 ~~((When))~~ (d) In the event of a change of ownership ((occurs)), the
13 ~~((entity becoming the licensed operating entity of the facility shall~~
14 ~~pay a fee established by the department at the time of application for~~
15 ~~the license. The previously determined date of license expiration~~
16 ~~shall not change. The department shall establish license fees at an~~
17 ~~amount adequate to reimburse the department in full for all costs of~~
18 ~~its licensing activities for nursing homes, adjusted to cover the~~
19 ~~department's cost of reimbursing such fees through medicaid))~~
20 previously established license expiration date shall not change. The
21 proposed licensee must ensure payment of any unpaid portion of the
22 license fee, pending the next scheduled license renewal date.

23 (2) All applications and fees for renewal of the license shall be
24 submitted to the department not later than thirty days prior to the
25 date of expiration of the license. All applications and fees, if any,
26 for change of ownership (~~(licenses)~~) shall be submitted to the
27 department not later than sixty days before the date of the proposed
28 change of ownership. ~~((Each))~~ A nursing home license shall be issued
29 only to the ((operating entity and those persons named in the license
30 application)) person that applied for the license. The license is
31 valid only for the operation of the facility at the location specified
32 in the license application. Licenses are not transferable or
33 assignable. Licenses shall be posted in a conspicuous place on the
34 licensed premises.

35 **Sec. 2.** RCW 18.20.050 and 2004 c 140 s 1 are each amended to read
36 as follows:

37 (1)(a) Upon receipt of an application for license, if the applicant

1 and the boarding home's facilities meet the requirements established
2 under this chapter, the department shall issue a license. If there is
3 a failure to comply with the provisions of this chapter or the
4 ~~((standards and))~~ rules adopted ~~((pursuant thereto))~~ under this
5 chapter, the department may in its discretion issue a provisional
6 license to an applicant for a license, or for the renewal of a
7 license~~((, a))~~. A provisional license ~~((which))~~ will permit the
8 operation of the boarding home for a period to be determined by the
9 department, but not to exceed twelve months~~((, which provisional~~
10 ~~license))~~ and shall not be subject to renewal. The department may also
11 place conditions on the license under RCW 18.20.190. ~~((At the time of~~
12 ~~the application for or renewal of a license or provisional license the~~
13 ~~licensee shall pay a license fee as established by the))~~

14 (b) The department ~~((under RCW 43.20B.110))~~ shall, by rule, set an
15 annual per bed license fee to be paid upon application for a boarding
16 home license and upon license renewal. The annual license fee shall be
17 based on the cost to the department for licensure of boarding homes.
18 To address economic trends and conditions, the department shall
19 increase the per bed license fee annually, on July 1st, by the lower of
20 the percentage change in the chain-weight implicit price deflator for
21 personal consumption expenditures or the consumer price index for the
22 Seattle-Tacoma-Bremerton consolidated metropolitan statistical area, as
23 published by the Washington state economic and revenue forecast
24 council.

25 ~~((All licenses issued under the provisions of this chapter shall~~
26 ~~expire on a date to be set by the department, but no license issued~~
27 ~~pursuant to this chapter shall exceed twelve months in duration.~~
28 ~~However, when the annual license renewal date of a previously licensed~~
29 ~~boarding home is set by the department on a date less than twelve~~
30 ~~months prior to the expiration date of a license in effect at the time~~
31 ~~of reissuance, the license fee shall be prorated on a monthly basis and~~
32 ~~a credit be allowed at the first renewal of a license for any period of~~
33 ~~one month or more covered by the previous license.))~~ (c) A license
34 issued under this chapter shall not exceed twelve months in duration
35 and it shall expire on a date set by the department. A boarding home
36 license shall be issued only to the person that applied for the
37 license. All applications for renewal of a license shall be made not
38 later than thirty days prior to the date of expiration of the license.

1 Each license shall be issued only for the premises and persons named in
2 the application, and no license shall be transferable or assignable.
3 Licenses shall be posted in a conspicuous place on the licensed
4 premises.

5 (2) A licensee who receives notification of the department's
6 initiation of a denial, suspension, nonrenewal, or revocation of a
7 boarding home license may, in lieu of appealing the department's
8 action, surrender or relinquish the license. The department shall not
9 issue a new license to or contract with the licensee, for the purposes
10 of providing care to vulnerable adults or children, for a period of
11 twenty years following the surrendering or relinquishment of the former
12 license. The licensing record shall indicate that the licensee
13 relinquished or surrendered the license, without admitting the
14 violations, after receiving notice of the department's initiation of a
15 denial, suspension, nonrenewal, or revocation of a license.

16 (3) The department shall establish, by rule, the circumstances
17 requiring a change in licensee, which include, but are not limited to,
18 a change in ownership or control of the boarding home or licensee, a
19 change in the licensee's form of legal organization, such as from sole
20 proprietorship to partnership or corporation, and a dissolution or
21 merger of the licensed entity with another legal organization. The new
22 licensee is subject to the provisions of this chapter, the rules
23 adopted under this chapter, and other applicable law. In order to
24 ensure that the safety of residents is not compromised by a change in
25 licensee, the new licensee is responsible for correction of all
26 violations that may exist at the time of the new license.

27 (4) The department may deny, suspend, modify, revoke, or refuse to
28 renew a license when the department finds that the applicant or
29 licensee or any partner, officer, director, managerial employee, or
30 majority owner of the applicant or licensee:

31 (a) Operated a boarding home without a license or under a revoked
32 or suspended license; or

33 (b) Knowingly or with reason to know made a false statement of a
34 material fact (i) in an application for license or any data attached to
35 the application, or (ii) in any matter under investigation by the
36 department; or

37 (c) Refused to allow representatives or agents of the department to

1 inspect (i) the books, records, and files required to be maintained, or
2 (ii) any portion of the premises of the boarding home; or

3 (d) Willfully prevented, interfered with, or attempted to impede in
4 any way (i) the work of any authorized representative of the
5 department, or (ii) the lawful enforcement of any provision of this
6 chapter; or

7 (e) Has a history of significant noncompliance with federal or
8 state regulations in providing care or services to vulnerable adults or
9 children. In deciding whether to deny, suspend, modify, revoke, or
10 refuse to renew a license under this section, the factors the
11 department considers shall include the gravity and frequency of the
12 noncompliance.

13 (5) The department shall serve upon the applicant a copy of the
14 decision granting or denying an application for a license. An
15 applicant shall have the right to contest denial of his or her
16 application for a license as provided in chapter 34.05 RCW by
17 requesting a hearing in writing within twenty-eight days after receipt
18 of the notice of denial.

19 **Sec. 3.** RCW 70.128.060 and 2009 c 530 s 5 are each amended to read
20 as follows:

21 (1) An application for license shall be made to the department upon
22 forms provided by it and shall contain such information as the
23 department reasonably requires.

24 (2) Subject to the provisions of this section, the department shall
25 issue a license to an adult family home if the department finds that
26 the applicant and the home are in compliance with this chapter and the
27 rules adopted under this chapter, unless (a) the applicant or a person
28 affiliated with the applicant has prior violations of this chapter
29 relating to the adult family home subject to the application or any
30 other adult family home, or of any other law regulating residential
31 care facilities within the past five years that resulted in revocation,
32 suspension, or nonrenewal of a license or contract with the department;
33 or (b) the applicant or a person affiliated with the applicant has a
34 history of significant noncompliance with federal, state, or local
35 laws, rules, or regulations relating to the provision of care or
36 services to vulnerable adults or to children. A person is considered
37 affiliated with an applicant if the person is listed on the license

1 application as a partner, officer, director, resident manager, or
2 majority owner of the applying entity, or is the spouse of the
3 applicant.

4 (3) The license fee shall be submitted with the application.

5 (4) The department shall serve upon the applicant a copy of the
6 decision granting or denying an application for a license. An
7 applicant shall have the right to contest denial of his or her
8 application for a license as provided in chapter 34.05 RCW by
9 requesting a hearing in writing within twenty-eight days after receipt
10 of the notice of denial.

11 (5) The department shall not issue a license to a provider if the
12 department finds that the provider or spouse of the provider or any
13 partner, officer, director, managerial employee, or majority owner has
14 a history of significant noncompliance with federal or state
15 regulations, rules, or laws in providing care or services to vulnerable
16 adults or to children.

17 (6) The department shall license an adult family home for the
18 maximum level of care that the adult family home may provide. The
19 department shall define, in rule, license levels based upon the
20 education, training, and caregiving experience of the licensed provider
21 or staff.

22 (7) The department shall establish, by rule, standards used to
23 license nonresident providers and multiple facility operators.

24 (8) The department shall establish, by rule, for multiple facility
25 operators educational standards substantially equivalent to recognized
26 national certification standards for residential care administrators.

27 ~~(9) ((The license fee shall be set at one hundred dollars per year
28 for each home. An eight hundred dollar processing fee shall also be
29 charged each home when the home is initially licensed. The processing
30 fee will be applied toward the license renewal in the subsequent three
31 years. A five hundred dollar rebate will be returned to any home that
32 renews after four years in operation.))~~ The license fee shall be
33 established by the legislature in the biennial budget act for fiscal
34 year 2011 and fiscal year 2012. Effective July 1, 2012, the department
35 shall, by rule, set an annual per home license fee to be paid upon
36 application for an adult family home license and upon the annual fee
37 renewal date set by the department. The annual fee shall be based on
38 the cost to the department for licensure of adult family homes.

1 Effective July 1, 2013, to address economic trends and conditions, the
2 department shall increase the per home license fee annually, on July
3 1st, by the lower of the percentage change in the chain-weight implicit
4 price deflator for personal consumption expenditures or the consumer
5 price index for the Seattle-Tacoma-Bremerton consolidated metropolitan
6 statistical area, as published by the Washington state economic and
7 revenue forecast council.

8 (10) A provider who receives notification of the department's
9 initiation of a denial, suspension, nonrenewal, or revocation of an
10 adult family home license may, in lieu of appealing the department's
11 action, surrender or relinquish the license. The department shall not
12 issue a new license to or contract with the provider, for the purposes
13 of providing care to vulnerable adults or children, for a period of
14 twenty years following the surrendering or relinquishment of the former
15 license. The licensing record shall indicate that the provider
16 relinquished or surrendered the license, without admitting the
17 violations, after receiving notice of the department's initiation of a
18 denial, suspension, nonrenewal, or revocation of a license.

19 (11) The department shall establish, by rule, the circumstances
20 requiring a change in the licensed provider, which include, but are not
21 limited to, a change in ownership or control of the adult family home
22 or provider, a change in the provider's form of legal organization,
23 such as from sole proprietorship to partnership or corporation, and a
24 dissolution or merger of the licensed entity with another legal
25 organization. The new provider is subject to the provisions of this
26 chapter, the rules adopted under this chapter, and other applicable
27 law. In order to ensure that the safety of residents is not
28 compromised by a change in provider, the new provider is responsible
29 for correction of all violations that may exist at the time of the new
30 license.

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