

Subject Nursing home licensure

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## Overview

This bill makes changes to nursing home licensure statutes, including defining new terms and modifying existing definitions, changing information that must be included on the application for nursing home licensure, modifying controlling individual restrictions and an employment prohibition, prohibiting transfers of nursing home licenses, and authorizing the commissioner to take licensing actions against a nursing home license or to deny licensure in certain instances.

## Summary

| Section | Description |
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| <b>1</b> | <b>Definitions.</b> |
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Amends § 144A.01. Amends the section defining terms for nursing homes and the Board of Executives for Long Term Services and Supports, by:

- changing terms that are defined;
- modifying the definitions of controlling individual and managerial official; and
- adding definitions for change of ownership, direct ownership interest, indirect ownership interest, licensee, management agreement, manager, and owner.

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| <b>2</b> | <b>Forms; requirements.</b> |
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Amends § 144A.03, subd. 1. Modifies the information that must be included in an application for a nursing home license, to include the names and contact information of all owners and of the nursing home administrator; the name and contact information for the managing agent and manager; licensed bed capacity; the license fee; documentation of compliance with background study requirements for the listed individuals; a copy of any executed lease agreement or management agreement; an organizational chart; whether certain individuals have been convicted of certain crimes or found civilly liable for certain acts; whether certain individuals have been subject to any revocation or suspension of the specified authority or accreditation;

| Section | Description  |
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|         | whether certain individuals have a record of defaulting on payments of money collected for others; certain signatures; identification of all states where the applicant or individual with a five percent or more ownership interest has been subject to certain licensing actions; and statistical information required by the commissioner. Changes terms used.  |
| 3       | <b>Controlling individual restrictions.</b><br>Amends § 144A.04, subd. 4. States that the commissioner of health has discretion to bar a controlling individual of a nursing home if the individual was a controlling individual of another long-term care facility, health care facility, or agency, and committed certain acts or was in that position at the facility or agency when certain violations occurred. Specifies that a controlling individual barred under this subdivision has the right to appeal under chapter 14.   |
| 4       | <b>Managerial official or licensed administrator; employment prohibitions.</b><br>Amends § 144A.04, subd. 6. Changes a term used, and removes language prohibiting a nursing home from employing a managerial official because the managerial official held a similar position at another nursing home when one or more repeated violations occurred that created an imminent risk to direct resident care or safety.  |
| 5       | <b>Transfer of license prohibited.</b><br>Amends § 144A.06. Prohibits transfers of nursing home licenses, and specifies circumstances in which a new nursing home license must be obtained due to a change of ownership.<br><br><b>Subd. 1. Transfers prohibited.</b> Eliminates language requiring notice to the commissioner of health when a controlling person makes a transfer of interest in a nursing home, and instead states that a nursing home license may not be transferred.<br><br><b>Subd. 2. New license required; change of ownership.</b> Requires the commissioner of health to adopt rules prescribing procedures to license nursing homes in cases of a change of ownership. Requires a prospective licensee to apply for a new license before operating a currently licensed nursing home. Requires the licensee to change when one of the listed events occurs.<br><br><b>Subd. 3. Compliance.</b> Requires the commissioner to consult with the commissioner of human services regarding the prospective licensee's history of financial and cost reporting compliance, and the prospective licensee's financial operations in any nursing home in which the prospective licensee has an interest. |

| Section | Description   |
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|         | <p><b>Subd. 4. Facility operation.</b> Provides that the current licensee remains responsible for the operation of the nursing home until the nursing home is licensed to the prospective licensee.</p>   |
| 6       | <p><b>Consideration of applications.</b></p> <p>Adds § 144A.32. Before issuing a provisional license or license or renewing an existing license, requires the commissioner to consider the applicant's compliance history in providing care in another facility. Specifies what compliance history includes. Lists circumstances under which the commissioner may take a licensing action against the applicant. Provides that if the license is denied, the applicant has reconsideration rights under chapter 14.</p> |
| 7       | <p><b>Revisor instruction.</b></p> <p>Directs the revisor of statutes to make any necessary cross-reference changes required by the amendments in sections 1 to 6.</p>  |



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