

# SENATE BILL 108

J3, J1

8lr0047

(PRE-FILED)

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By: **Chair, Finance Committee (By Request – Departmental – Health)**

Requested: September 26, 2017

Introduced and read first time: January 10, 2018

Assigned to: Finance

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Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: January 30, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Regulation of Health Care Programs, Medical Laboratories, Tissue Banks, and**  
3 **Health Care Facilities – Revisions**

4 FOR the purpose of repealing certain requirements that certain fees regarding the  
5 licensure and permitting of behavioral health programs and facilities, medical  
6 laboratories, tissue banks, and health care facilities be set by the Secretary of Health;  
7 repealing certain requirements that certain applicants for certain licenses and  
8 permits and certain medical laboratories pay certain fees to the Maryland  
9 Department of Health; repealing certain provisions of law providing for the term of  
10 certain licenses and permits for certain behavioral health care programs, medical  
11 laboratories, tissue banks, and health care facilities; repealing certain provisions of  
12 law regarding the renewal of certain licenses and permits for certain behavioral  
13 health care programs and facilities, medical laboratories, tissue banks, and health  
14 care facilities; repealing the requirement that certain regulations adopted by the  
15 Department include procedures for the annual recertification of certain medical  
16 laboratories; altering the frequency at which a licensed related institution that  
17 provides long-term care and programs for patients with Alzheimer's disease and  
18 related disorders is required to have a certain in-service education program;  
19 requiring a certain person acquiring a nursing home to provide the Department with  
20 certain written notice at the same time as notice required under a certain provision  
21 of law is filed with the Maryland Health Care Commission; requiring a nursing home  
22 to ~~immediately~~ notify the Department when there are certain changes in ownership  
23 or management information within a certain number of days after the effective date  
24 of the change; authorizing the Secretary to revoke a nursing home license based on

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 the review of certain information; altering the frequency at which a licensed nursing  
 2 home is required to submit a quality assurance plan to the Department; providing  
 3 that a certain probationary license granted to certain assisted living programs is  
 4 valid for a period of time determined by the Secretary in accordance with certain  
 5 regulations, rather than for a certain number of years; repealing certain obsolete  
 6 provisions of law; making conforming changes; and generally relating to the  
 7 regulation of health care programs, tissue banks, medical laboratories, and health  
 8 care facilities.

9 BY repealing and reenacting, with amendments,

10 Article – Health – General

11 Section 7.5–205(d), 17–202(d), 17–214(f), 17–2A–02(a), 17–506, 19–319.1,  
 12 19–320(a), 19–3B–04(a), 19–3B–05, 19–404(b), 19–4A–03, 19–4B–04,  
 13 19–907(a), 19–1203, 19–1401.1, 19–1401.2, 19–1410(a) and (b), 19–1804.1(b)  
 14 and (d), 19–1805(b), 19–2001, 19–2002(d)(4), and 20–109(c)

15 Annotated Code of Maryland

16 (2015 Replacement Volume and 2017 Supplement)

17 BY repealing

18 Article – Health – General

19 Section 17–204, 17–207(c), 17–209, 17–2A–06(c), 17–2A–08, 17–304, 17–307(c),  
 20 17–310, 17–508, 19–320(c), 19–323, 19–907(c), and 19–910

21 Annotated Code of Maryland

22 (2015 Replacement Volume and 2017 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

24 That the Laws of Maryland read as follows:

25 **Article – Health – General**

26 7.5–205.

27 (d) The Secretary shall adopt regulations to carry out the provisions of this title  
 28 and Titles 8 and 10 of this article, including provisions [setting reasonable fees] for the  
 29 issuance [and renewal] of licenses.

30 17–202.

31 (d) (1) To assure compliance with standards adopted under subsection (c) of  
 32 this section, the Secretary shall adopt regulations to establish and conduct a cytology  
 33 proficiency testing program for all cytology personnel that examine gynecological cytology  
 34 specimens.

35 (2) All cytology proficiency tests under the State cytology proficiency  
 36 testing program shall be conducted by an employee of the Maryland Department of Health  
 37 who shall:

1 (i) Hand carry all testing materials to the testing site; and

2 (ii) Directly supervise the on-site proficiency testing.

3 [(3) A medical laboratory shall pay the Department a fee established by the  
4 Secretary to cover the cost of the laboratory's State cytology proficiency testing program  
5 under this section.]

6 [(4) (3) The Secretary shall adopt regulations for the cytology proficiency  
7 testing program that:

8 (i) Define satisfactory cytology proficiency testing performance; and

9 (ii) Set standards and requirements that a cytology proficiency  
10 testing program must meet before it can be designated an approved program.

11 [(5) (4) The Secretary may accept the testing results of an approved  
12 cytology proficiency testing program as meeting the cytology proficiency testing  
13 requirement of this subtitle.

14 [17-204.

15 The Secretary:

16 (1) Shall set licensing fees in accordance with § 2-104 of this article; and

17 (2) May set a fee for the cytology proficiency testing program.]

18 17-207.

19 [(c) The applicant shall pay to the Department the application fee set by the  
20 Secretary in accordance with § 2-104 of this article.]

21 [17-209.

22 (a) A license expires on the date set by the Secretary, unless the license is  
23 renewed as provided in this section.

24 (b) Before the license expires, the licensee may renew its license for an additional  
25 term, if the licensee:

26 (1) Otherwise is entitled to the license;

27 (2) Pays to the Department the renewal fee set by the Secretary and any  
28 outstanding licensing or proficiency testing fees; and

1 (3) Submits to the Secretary:

2 (i) A renewal application on the form that the Secretary requires;  
3 and

4 (ii) Satisfactory evidence of compliance with all standards and  
5 requirements set under this subtitle and in regulations adopted pursuant to this subtitle.

6 (c) The Secretary shall renew the license of each licensee who meets the  
7 requirements of this section.]

8 17–214.

9 (f) (1) The Maryland Department of Health:

10 (i) Shall adopt regulations governing the certification of  
11 laboratories that conduct job–related alcohol or controlled dangerous substance testing;  
12 and

13 (ii) May adopt regulations governing the oversight of preliminary  
14 screening procedures administered by employers.

15 (2) In addition to any other laboratory standards, the regulations shall:

16 (i) Require that the laboratory comply with the guidelines for  
17 laboratory accreditation, if any, as set forth by the College of American Pathologists, the  
18 Centers for Medicare and Medicaid Services, or any other government agency or program  
19 designated to certify or approve a laboratory that is acceptable to the Secretary;

20 (ii) Require that a laboratory performing confirmation tests for  
21 controlled dangerous substances or alcohol be inspected and accredited in forensic drug  
22 analysis by the College of American Pathologists, the Centers for Medicare and Medicaid  
23 Services, or any other government agency or program designated to inspect and accredit a  
24 laboratory that is acceptable to the Secretary;

25 (iii) Require that, if the laboratory performs job–related drug testing,  
26 the laboratory be a participant in a program of proficiency testing of drug screening  
27 conducted by an organization acceptable to the Secretary;

28 (iv) Require that the laboratory comply with standards regarding  
29 cutoff levels for positive testing that are established by the United States Department of  
30 Health and Human Services or established by the Secretary as mandatory guidelines for  
31 workplace drug testing programs; and

32 (v) Include procedures for [annual recertification and] inspection.

33 17–2A–02.

1 (a) (1) The Secretary shall adopt regulations that set standards and  
2 requirements for forensic laboratories.

3 (2) The regulations shall contain the standards and requirements that the  
4 Secretary considers necessary to assure the citizens of the State that forensic laboratories  
5 provide safe, reliable, and accurate services.

6 (3) The regulations shall:

7 (i) Require the director of a forensic laboratory to establish and  
8 administer an ongoing quality assurance program using standards acceptable to the  
9 Secretary;

10 (ii) Require the director of a forensic laboratory to retain all case files  
11 for at least 10 years;

12 (iii) Establish qualifications for the personnel of forensic laboratories;

13 (iv) Establish procedures for verifying the background and education  
14 of the personnel of forensic laboratories; **AND**

15 (v) [Require the Secretary to charge fees that may not exceed the  
16 actual direct and indirect costs to the Department to carry out the provisions of this  
17 subtitle; and

18 (vi)] Establish any additional standards that the Secretary considers  
19 necessary to assure that forensic laboratories provide accurate and reliable services.

20 17-2A-06.

21 [(c) The applicant shall pay to the Department the application fee set by the  
22 Secretary in accordance with § 2-104 of this article.]

23 [17-2A-08.

24 (a) A license expires on the date set by the Secretary unless the license is renewed  
25 as provided in this section.

26 (b) Before the license expires, the licensee may renew its license for an additional  
27 term, if the licensee:

28 (1) Pays to the Department the renewal fee set by the Secretary and any  
29 outstanding licensing or proficiency testing fees;

1           (2)   Submits to the Secretary a renewal application on the form that the  
2 Secretary requires; and

3           (3)   Is in compliance with all standards and requirements of this subtitle.

4           (c)   The Secretary shall renew the license of each licensee that meets the  
5 requirements of this section.]

6 [17-304.

7           The Secretary shall set reasonable fees for the issuance and renewal of permits.]

8 17-307.

9           [(c)   The applicant shall pay to the Department the application fee set by the  
10 Secretary.]

11 [17-310.

12           (a)   A permit expires on the first anniversary of its effective date, unless the  
13 permit is renewed for a 2-year term as provided in this section.

14           (b)   At least 1 month before the permit expires, the Department shall send to the  
15 permit holder, by first-class mail to the last known address of the holder, a renewal notice  
16 that states:

17                   (1)   The date on which the current permit expires;

18                   (2)   The date by which the renewal application must be received by the  
19 Secretary for the renewal to be issued and mailed before the permit expires; and

20                   (3)   The amount of the renewal fee.

21           (c)   Before the permit expires, the permit holder periodically may renew it for an  
22 additional 2-year term, if the permit holder:

23                   (1)   Otherwise is entitled to the permit;

24                   (2)   Pays to the Department the renewal fee set by the Secretary; and

25                   (3)   Submits to the Secretary:

26                           (i)   A renewal application on the form that the Secretary requires;  
27 and

1 (ii) Satisfactory evidence of compliance with any standards and  
2 qualifications set under this subtitle for permit renewal.

3 (d) The Secretary shall renew the permit of each permit holder who meets the  
4 requirements of this section.]

5 17-506.

6 [(a)] An applicant for a permit shall submit an application to the Secretary on the  
7 form that the Secretary requires.

8 [(b) (1) The applicant shall pay to the Department the application fee set by the  
9 Secretary in accordance with § 2-104 of this article.

10 (2) The Secretary shall waive all permit fees for local and county health  
11 departments.

12 (c) The Secretary shall waive all renewal fees for local and county health  
13 departments.]

14 [17-508.

15 (a) A permit expires on the first anniversary of its effective date, unless the  
16 permit is renewed for a 1-year term as provided in this section.

17 (b) At least 1 month before the permit expires, the Department shall send to the  
18 permit holder, by first-class mail to the last known address of the holder, a renewal notice  
19 that states:

20 (1) The date on which the current permit expires;

21 (2) The date by which the renewal application must be received by the  
22 Secretary for the renewal to be issued and mailed before the permit expires; and

23 (3) The amount of the renewal fee.

24 (c) The Secretary shall waive all renewal fees for local and county health  
25 departments.

26 (d) Before the permit expires, the permit holder periodically may renew it for an  
27 additional 1-year term, if the permit holder:

28 (1) Otherwise is entitled to the permit;

29 (2) Pays to the Department the renewal fee set by the Secretary; and

30 (3) Submits to the Secretary:

1 (i) A renewal application on the form that the Secretary requires;  
2 and

3 (ii) Satisfactory evidence of compliance with any standards and  
4 qualifications set under this subtitle for permit renewal.

5 (e) The Secretary shall renew the permit of each permit holder who meets the  
6 requirements of this section.]

7 19–319.1.

8 As a prerequisite to the licensing [and renewal of licensing] of related institutions  
9 **AND EACH YEAR AFTER THE LICENSE IS ISSUED**, the Department shall require each  
10 related institution that provides long-term care and programs for patients with  
11 Alzheimer’s disease and related disorders to have an in-service education program that  
12 includes instruction on dementia and the techniques necessary to manage dementia  
13 patients with regard to their physical, intellectual, and behavioral manifestations.

14 19–320.

15 (a) An applicant for a license shall[:

16 (1) Submit] **SUBMIT** an application to the Secretary[; and

17 (2) Pay to the Secretary the application fee set by the Secretary in  
18 regulations].

19 [(c) An application fee may not be refunded.]

20 [19–323.

21 (a) (1) Except as provided under paragraph (2) of this subsection, a license for  
22 a related institution, an accredited hospital, or a nonaccredited hospital expires on the first  
23 anniversary of its effective date, unless the license is renewed for a 1-year term as provided  
24 in this section.

25 (2) A license for a nursing facility and an assisted living program as defined  
26 under Subtitle 18 of this title shall be for a 2-year term.

27 (b) Before the license expires, the licensee periodically may renew it for an  
28 additional term, if the licensee:

29 (1) Otherwise is entitled to the license;



1           (2) Pays to the Secretary the renewal fee set by the Secretary in  
2 regulations; and

3           (3) Submits to the Secretary:

4                   (i) A renewal application on the form that the Secretary requires;  
5 and

6                   (ii) Satisfactory evidence of compliance with any requirements set  
7 under this subtitle for license renewal.

8           (c) The Secretary shall renew the license of each licensee who meets the  
9 requirements of this section.]

10 19-3B-04.

11           (a) An applicant for a license shall[:

12                   (1) Submit] **SUBMIT** an application to the Secretary[; and

13                   (2) Pay to the Secretary the application fee set by the Secretary through  
14 regulation].

15 19-3B-05.

16           [(a) A license expires on the third anniversary of its effective date unless the  
17 license is renewed for a 3-year term as provided in this section.

18           (b) Before the license expires, a license may be renewed for an additional 3-year  
19 term, if the applicant:

20                   (1) Otherwise is entitled to the license;

21                   (2) Pays to the Secretary the renewal fee set by the Secretary through  
22 regulation; and

23                   (3) Submits to the Secretary:

24                           (i) A renewal application on the form that the Secretary requires;  
25 and

26                           (ii) Satisfactory evidence of compliance with any requirement under  
27 this subtitle for license renewal.

28           (c) The Secretary shall renew the license if the applicant meets the requirements  
29 of this section.

1 (d) (1) The Secretary shall set reasonable application and renewal fees not to  
2 exceed the administrative costs of the licensing program.

3 (2) For purposes of this subsection, administrative costs under paragraph  
4 (1) of this subsection do not include any costs of administering the Medicare certification  
5 program.

6 (e)] A license does not entitle the licensee to an exemption from other provisions  
7 of law relating to:

8 (1) The review and approval of hospital rates and charges by the Health  
9 Services Cost Review Commission; or

10 (2) The review and approval of new services or facilities by the Maryland  
11 Health Care Commission.

12 19–404.

13 (b) The rules and regulations shall provide for the licensing of home health  
14 agencies [and annual license renewal,] and shall establish standards that require as a  
15 minimum, that all home health agencies:

16 (1) Within 10 days of acceptance of a patient for skilled care, make and  
17 record all reasonable efforts to contact a physician to obtain the signed order required under  
18 item (2) of this subsection;

19 (2) That accept patients for skilled care do so only on the signed order of a  
20 physician obtained within 28 days after acceptance;

21 (3) Adopt procedures for the administration of drugs and biologicals;

22 (4) Maintain clinical records on all patients accepted for skilled care;

23 (5) Establish patient care policies and personnel policies;

24 (6) Have services available at least 8 hours a day, 5 days a week, and  
25 available on an emergency basis 24 hours a day, 7 days a week;

26 (7) Make service available to an individual in need within 24 hours of a  
27 referral when stipulated by a physician's order;

28 (8) Have a designated supervisor of patient care who is a full-time  
29 employee of the agency and is available at all times during operating hours and additionally  
30 as needed; and

1           (9) Have as the administrator of the agency a person who has at least 1  
2 year of supervisory experience in hospital management, home health management, or  
3 public health program management and who is:

4                   (i) A licensed physician;

5                   (ii) A registered nurse; or

6                   (iii) A college graduate with a bachelor's degree in a health-related  
7 field.

8 19-4A-03.

9           (a) The Department shall adopt regulations that set standards for the care,  
10 treatment, health, safety, welfare, and comfort of individuals who receive home health care  
11 services through a residential service agency.

12           (b) The regulations shall provide for the licensing of residential service agencies  
13 [and the renewal of licenses for a 3-year term].

14           (c) [The regulations shall require the Secretary to charge fees in a manner which  
15 will produce funds sufficient to at least cover the actual direct or indirect costs of the  
16 inspection and licensure of residential service agencies under this subtitle.

17           (d)] The regulations shall include provisions that:

18                   (1) Provide for the establishment of residential service agencies;

19                   (2) Establish qualifications for licensure;

20                   (3) Set minimum standards for individuals who provide home health care  
21 services through a residential service agency; and

22                   (4) Require the residential service agency to screen and verify the  
23 character references of all home health care providers that are employed by the residential  
24 service agency.

25 19-4B-04.

26           (a) (1) The Department shall adopt regulations to implement the  
27 requirements of this subtitle.

28                   (2) The regulations may not preclude a nursing referral service agency  
29 from operating with independent contractors.

30           (b) The Department shall issue a [3-year] license to a nursing referral service  
31 agency after the nursing referral service agency[:

1 (1) Completes] **COMPLETES** an application for licensure[; and

2 (2) Pays a licensing fee of \$1,000 to the Department.

3 (c) A license shall expire on the third anniversary of its effective date unless:

4 (1) The Department suspends or revokes the license; or

5 (2) The license is renewed].

6 [(d)] **(C)** The Department may suspend or revoke a license issued under this  
7 section if the nursing referral service agency is operating in violation of the requirements  
8 of this subtitle.

9 19–907.

10 (a) An applicant for a license shall[:

11 (1) Submit] **SUBMIT** an application to the Secretary[; and

12 (2) Pay to the Secretary an application fee established by the Secretary].

13 [(c) An application fee may not be refunded.]

14 [19–910.

15 (a) A license expires on the third anniversary of its effective date, unless the  
16 license is renewed for a 3–year term as provided in this section.

17 (b) Before the license expires, the licensee periodically may renew it for an  
18 additional 3–year term, if the licensee:

19 (1) Otherwise is entitled to the license;

20 (2) Pays to the Secretary a renewal fee established by the Secretary; and

21 (3) Submits to the Secretary:

22 (i) A renewal application on the form that the Secretary requires;

23 and

24 (ii) Satisfactory evidence of compliance with any requirements set  
25 under this subtitle for license renewal.

1 (c) The Secretary shall renew the license of each licensee who meets the  
2 requirements of this section.]

3 19-1203.

4 (a) This section does not apply to a special rehabilitation hospital that is licensed  
5 under Subtitle 3 of this title.

6 (b) Any person that provides or holds himself out as providing comprehensive  
7 physical rehabilitation services on an out-patient basis shall obtain a comprehensive  
8 rehabilitation license before the person may provide comprehensive physical rehabilitation  
9 services in the State.

10 (c) The Department shall issue a comprehensive rehabilitation license to any  
11 person for whom a comprehensive rehabilitation license is required if the person[:

12 (1) Submits] **SUBMITS** an application on the form established and provided  
13 for the Secretary[; and

14 (2) Pays to the Secretary the application fee of \$10].

15 (d) [A comprehensive rehabilitation license expires on the first anniversary of its  
16 effective date, unless the license is renewed for a 1-year term.

17 (e)] While it is effective, a comprehensive rehabilitation license authorizes the  
18 licensed person to provide comprehensive physical rehabilitation services.

19 [(f)] **(E)** A person may not provide or hold himself out as providing  
20 comprehensive physical rehabilitation services on an out-patient basis unless the person  
21 has been issued a comprehensive rehabilitation license under this section.

22 19-1401.1.

23 (a) **(1)** In addition to the requirements for licensure of a related institution as  
24 provided in this title, an applicant for [initial] licensure [or relicensure] of a nursing home  
25 shall include in the application the identity of:

26 [(1)] **(I)** Any person with an ownership interest in the nursing home; and

27 [(2)] **(II)** Any management company, landlord, or other business entity  
28 that will operate or contract with the applicant to manage the nursing home.

29 ~~**(2) A NURSING HOME SHALL NOTIFY THE DEPARTMENT**~~  
30 ~~**IMMEDIATELY WHEN THERE ARE CHANGES TO THE INFORMATION REQUIRED UNDER**~~  
31 ~~**PARAGRAPH (1) OF THIS SUBSECTION.**~~

1                   **(2) (I) THE PERSON ACQUIRING A NURSING HOME SHALL PROVIDE**  
 2 **THE DEPARTMENT WITH WRITTEN NOTICE OF THE ACQUISITION OR CHANGE IN**  
 3 **OPERATOR AT THE SAME TIME AS THE NOTICE REQUIRED UNDER § 19-120(K)(6)(II)**  
 4 **OF THIS TITLE IS FILED WITH THE MARYLAND HEALTH CARE COMMISSION.**

5                   **(II) FOR OTHER CHANGES TO THE INFORMATION REQUIRED**  
 6 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE NURSING HOME SHALL NOTIFY**  
 7 **THE DEPARTMENT WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE CHANGE.**

8           (b) An applicant for [initial] licensure shall submit to the Secretary or the  
 9 Secretary's designee evidence:

10                   (1) That affirmatively demonstrates the ability of the applicant to comply  
 11 with minimum standards of:

12                           (i) Medical care;

13                           (ii) Nursing care;

14                           (iii) Financial condition; and

15                           (iv) Other applicable State or federal laws and regulations; and

16                   (2) Regarding the regulatory compliance history and financial condition of  
 17 any health care facility owned or operated by the applicant in other jurisdictions.

18 19-1401.2.

19           On review of the information required under § 19-1401.1 of this subtitle and any  
 20 other information that is relevant to the ability of the applicant to operate a nursing home,  
 21 the Secretary may:

22                   (1) Approve an application for a license [or license renewal];

23                   (2) Deny an application for a license [or license renewal]; [or]

24                   (3) Approve an application for A license [or license renewal] subject to  
 25 conditions; **OR**

26                   **(4) REVOKE A LICENSE.**

27 19-1410.

28           (a) [By January 1, 2001, a] **EACH** nursing home shall develop and implement a  
 29 quality assurance program.

1           (b)   (1)   [By September 1, 2000, each] **EACH** nursing home shall designate a  
2 qualified individual to coordinate and manage the nursing home's quality assurance  
3 program.

4           (2)   Each nursing home shall establish a quality assurance committee and  
5 shall include at least the following members:

6                   (i)    The nursing home administrator;

7                   (ii)   The director of nursing;

8                   (iii)  The medical director;

9                   (iv)   A social worker;

10                  (v)    A licensed dietitian; and

11                  (vi)   A geriatric nursing assistant.

12           (3)   The quality assurance committee shall:

13                   (i)    Meet at least monthly;

14                   (ii)   Maintain records of all quality assurance activities;

15                   (iii)  Keep records of committee meetings that shall be available to the  
16 Department during any on-site visit; and

17                   (iv)   Prepare monthly reports that shall be presented to the  
18 ombudsman, the resident's council, and the family council.

19           (4)   The quality assurance committee for a nursing home shall review and  
20 approve annually the quality assurance plan for the nursing home.

21           (5)   Each nursing home shall establish a written quality assurance plan  
22 that:

23                   (i)    Includes procedures for concurrent review for all residents;

24                   (ii)   Provides criteria that routinely monitors nursing care including  
25 medication administration, prevention of decubitus ulcers, dehydration and malnutrition,  
26 nutritional status and weight loss or gain, accidents and injuries, unexpected deaths,  
27 changes in mental or psychological status, and any other data necessary to monitor quality  
28 of care;

29                   (iii)  Includes methods to identify and correct problems; and

1 (iv) Is readily available to nursing home residents and their families,  
2 guardians, or surrogate decision makers.

3 (6) The quality assurance plan shall be submitted to the Department [by  
4 January 1, 2001, and at the time of license renewal] **EVERY 2 YEARS.**

5 (7) The nursing home administrator shall take appropriate remedial  
6 actions based on the recommendations of the nursing home's quality assurance committee.

7 (8) The Secretary may not require the quality assurance committee to  
8 disclose the records and the reports prepared by the committee except as necessary to  
9 assure compliance with the requirements of this section.

10 (9) If the Department determines that a nursing home is not implementing  
11 its quality assurance program effectively and that quality assurance activities are  
12 inadequate, the Department may impose appropriate sanctions on the nursing home to  
13 improve quality assurance including mandated employment of specified quality assurance  
14 personnel.

15 19-1804.1.

16 (b) (1) A person shall submit an application for licensure to conduct, operate,  
17 or maintain an assisted living program to the Secretary on a form developed by the  
18 Secretary.

19 (2) (i) The Secretary shall develop the application for licensure  
20 required under paragraph (1) of this subsection.

21 (ii) The application shall include the name and address of each  
22 officer, manager, alternate manager, and delegating nurse or case manager of the assisted  
23 living program.

24 [(3) An applicant for licensure shall submit the fee established in regulation  
25 under § 19-1805(b)(2)(ii) of this subtitle.]

26 [(4)] (3) In addition to the application, an applicant for initial licensure  
27 shall submit to the Secretary:

28 (i) Information concerning any license or certification held by the  
29 applicant under the Health Occupations Article or under this article, including the prior or  
30 current operation by the applicant of a health care facility, residential facility, or similar  
31 health care program;

32 (ii) Information demonstrating the financial and administrative  
33 ability of the applicant to operate an assisted living program in compliance with this  
34 subtitle;



1 (iii) The policies and procedures to be implemented by the assisted  
2 living program;

3 (iv) Identification of the personnel and relief personnel to be  
4 employed by the assisted living program; and

5 (v) Any other information that is relevant to the ability of the  
6 applicant to care for the residents of the assisted living program.

7 (d) [(1) Except as provided in paragraph (2) of this subsection, an assisted  
8 living program license is valid for 2 years.

9 (2) The Secretary may issue [an initial] A probationary license that is valid  
10 for [less than 2 years] A PERIOD OF TIME DETERMINED BY THE SECRETARY IN  
11 ACCORDANCE WITH REGULATIONS ADOPTED BY THE SECRETARY.

12 19–1805.

13 (b) (1) The Department, in consultation with representatives of the affected  
14 industry and advocates for residents of the facilities and with the approval of the  
15 Department of Aging and the Department of Human Services, shall adopt regulations to  
16 implement this subtitle.

17 (2) The regulations adopted under paragraph (1) of this subsection shall:

18 (i) Provide for the licensing of assisted living programs [and the  
19 renewal of licenses];

20 [(ii) Establish the application fee to be paid to the Secretary by an  
21 applicant for an assisted living program license;]

22 [(iii) (II) Require the Department, during a survey or other  
23 inspection of an assisted living program, to review the number of waivers granted to the  
24 program under subsection (a)(3) of this section and determine whether a change in the  
25 program's licensure status is warranted; and

26 [(iv) (III) Require an assisted living program facility to post in a  
27 conspicuous place visible to actual and potential residents of the facility and other  
28 interested parties:

29 1. A. Its statement of deficiencies for the most recent  
30 survey;

31 B. Any subsequent complaint investigations conducted by  
32 federal, State, or local surveyors; and

1 C. Any plans of correction in effect with respect to the survey  
2 or complaint investigation; or

3 2. A notice of the location, within the facility, of the items  
4 listed in item 1 of this item.

5 19–2001.

6 (a) (1) In this subtitle the following words have the meanings indicated.

7 (2) “Client facility” means a health care facility that contracts with a health  
8 care staff agency for the referral of health care practitioners.

9 (3) “Health care facility” means a hospital or related institution as defined  
10 in § 19–301 of this title.

11 (4) (i) Except as provided in subparagraph (ii) of this paragraph,  
12 “health care practitioner” means any individual licensed or certified under the Health  
13 Occupations Article who:

14 1. Is a licensed practical nurse, registered nurse, or certified  
15 nursing assistant; or

16 2. Practices in an allied health care field, as defined by the  
17 Office in regulation.

18 (ii) “Health care practitioner” does not include:

19 1. An acupuncturist;

20 2. A dentist;

21 3. A nurse anesthetist;

22 4. A nurse midwife;

23 5. A nurse practitioner;

24 6. A pharmacist;

25 7. A physician; or

26 8. A podiatrist.

27 (5) (i) “Health care staff agency” means any person, firm, corporation,  
28 partnership, or other business entity engaged in the business of referring health care

1 practitioners as employees or independent contractors to render temporary health care  
2 services at a health care facility in the State.

3 (ii) “Health care staff agency” does not include:

4 1. A health care staff agency operated by a health care  
5 facility or its affiliates solely for the purpose of procuring, furnishing, or referring  
6 temporary or permanent health care personnel for employment at that health care facility  
7 or its affiliates;

8 2. A home health agency regulated under Subtitle 4 of this  
9 title; or

10 3. Any health care practitioners procuring, furnishing, or  
11 referring their own services to a health care facility without the direct or indirect assistance  
12 of a health care staff agency.

13 (6) “Initially providing or referring” means the first time a health care staff  
14 agency provides or refers a particular health care practitioner to a health care facility.

15 (7) “Office” means the Office of Health Care Quality in the Department.

16 (8) “Responsible party” means the individual at a health care staff agency  
17 who controls the day to day operation of the health care staff agency.

18 (b) (1) A health care staff agency shall be licensed by the Office before  
19 referring health care practitioners to a health care facility to render temporary health care  
20 services at a health care facility in this State.

21 (2) All health care staff agencies shall submit to the Office:

22 (i) The health care staff agency’s:

23 1. Business name;

24 2. Business address;

25 3. Business telephone number; and

26 4. Responsible party; and

27 (ii) Any other information the Office requires by regulation to ensure  
28 compliance with the provisions of this subtitle.

29 [(c) (1) A health care staff agency license expires on the 28th day of the month  
30 in which the agency was originally licensed unless the license is renewed for a 1-year term  
31 as provided in this section.

1           (2) At least 1 month before the license expires, the Office shall send to the  
2 health care staff agency, by first-class mail to the last known address of the health care  
3 staff agency, a renewal notice that states:

4           (i) The date on which the current license expires;

5           (ii) The date by which the renewal application must be received by  
6 the Office for the renewal to be issued and mailed before the license expires; and

7           (iii) The amount of the renewal fee.

8           (3) Before a license expires, the health care staff agency periodically may  
9 renew it for an additional term, if the health care staff agency:

10          (i) Otherwise is entitled to be licensed; and

11          (ii) Pays to the Office the renewal fee set by the Office.

12          (d) If a health care staff agency fails to renew, the health care staff agency must  
13 immediately stop referring health care practitioners to health care facilities.]

14          [(e)] (C) (1) A health care staff agency shall notify the Office of any change in  
15 ownership, agency name, or address within 30 days of the change.

16          (2) Notwithstanding the provisions of subsection [(i)(1)] (G)(1) of this  
17 section, if a health care staff agency fails to notify the Office within the time required under  
18 this subsection, the Office may impose a fine of \$100.

19          [(f)] (D) (1) Before initially providing or referring a health care practitioner  
20 to health care facilities to render temporary health care services, the health care staff  
21 agency shall verify the licensure or certification status of the health care practitioner.

22          (2) At the time a health care practitioner who is being referred to health  
23 care facilities by a health care staff agency must renew the health care practitioner's license  
24 or certificate, the health care staff agency shall:

25          (i) Submit the name and license or certificate number of the health  
26 care practitioner to the Office; and

27          (ii) Verify the licensure or certification status of the health care  
28 practitioner.

29          [(g)] (E) A health care staff agency may not knowingly provide or refer an  
30 individual who is not licensed or certified under the Health Occupations Article to a health  
31 care facility to render health care services.

1           **[(h)] (F)**       (1)     Except as provided in paragraph (2) of this subsection:

2                       (i)     If a health care staff agency knows of an action or condition  
3 performed by a health care practitioner provided or referred by that health care staff agency  
4 that might be grounds for action relating to a license or certificate issued under the Health  
5 Occupations Article, the health care staff agency shall report the action or condition to the  
6 appropriate health occupation board; and

7                       (ii)    An individual shall have immunity from liability described under  
8 § 5–709 of the Courts and Judicial Proceedings Article for making a report as required  
9 under this paragraph.

10                   (2)     A health care staff agency is not required under this subsection to make  
11 any report that would be in violation of any federal or State law, rule, or regulation  
12 concerning the confidentiality of alcohol and drug abuse patient records.

13           **[(i)] (G)**       (1)     Subject to the provisions of Title 10, Subtitle 2 of the State  
14 Government Article, the Office may impose a penalty for a violation of any provision of this  
15 section:

16                       (i)     For a first offense, up to \$2,500 per violation or up to \$2,500 per  
17 day until the health care staff agency complies with the requirements of this subtitle;

18                       (ii)    For a second offense, up to \$5,000 per violation or up to \$5,000  
19 per day until the health care staff agency complies with the requirements of this subtitle;  
20 and

21                       (iii)   For a third or subsequent offense, up to \$10,000 per violation or  
22 up to \$10,000 per day until the health care staff agency complies with the requirements of  
23 this subtitle.

24                   (2)     Each day a violation continues is a separate violation.

25           **[(j)] (H)**       A health care staff agency is not a health care provider.

26   19–2002.

27                   (d)     When the Office conducts an inspection, the Office shall verify that the health  
28 care staff agency has developed, documented, and implemented procedures for:

29                   (4)     Reporting of an action or condition under **[(§ 19–2001(h))] § 19–2001(F)**  
30 of this subtitle;

31   20–109.

1           (c)     At the time of licensure [or license renewal], an assisted living program with  
 2 an Alzheimer’s special care unit or program shall send to the Department a written  
 3 description of the special care unit or program.

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 5 1, 2018.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.