

## Chapter 726

(Senate Bill 737)

AN ACT concerning

### **Nursing Home Administrator License – Revocation or Surrender – Ban on Employment**

FOR the purpose of prohibiting certain nursing homes or nursing home management firms from knowingly employing or retaining as a consultant an individual who has surrendered a nursing home administrator license under certain circumstances to the State Board of Nursing Home Administrators or has had a nursing home administrator license revoked by the Board based on certain grounds for discipline except in certain circumstances; prohibiting the Department of Health and Mental Hygiene from reimbursing certain nursing homes, related institutions, or management firms of certain nursing homes or related institutions under the Maryland Medical Assistance Program if the facility, related institution, or firm knowingly employs or retains as a consultant a certain individual who has surrendered a certain license under certain circumstances or has had a certain license revoked under certain circumstances; defining a certain term; and generally relating to prohibiting nursing homes, related institutions, and management firms of nursing homes and related institutions from knowingly employing an individual who has surrendered a nursing home administrator license or has had a nursing home administrator license revoked.

BY adding to

Article – Health Occupations  
Section 9–314.2  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, without amendments,

Article – Health – General  
Section 15–114(a) and (b)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General  
Section 15–114(c)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)

BY adding to

Article – Health – General

Section 15–114(f)

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health Occupations**

**9–314.2.**

(A) IN THIS SECTION, “NURSING HOME MANAGEMENT FIRM” MEANS AN ORGANIZATION THAT:

(1) IS INTENDED TO HAVE OR HAS FULL RESPONSIBILITY AND CONTROL FOR THE DAY–TO–DAY OPERATIONS OF A NURSING HOME; AND

(2) IS UNDER CONTRACT WITH:

(i) AN APPLICANT FOR A LICENSE FROM THE SECRETARY TO ESTABLISH, OPERATE, OR CONTINUE THE OPERATION OF AN EXISTING NURSING FACILITY; OR

(ii) A HOLDER OF A LICENSE FROM THE SECRETARY TO OPERATE A NURSING FACILITY.

(B) (1) ~~EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A NURSING HOME OR A NURSING HOME MANAGEMENT FIRM MAY NOT KNOWINGLY EMPLOY OR RETAIN AS A CONSULTANT AN INDIVIDUAL WHO, FOR AN ACTIVITY DESCRIBED IN § 9–314(B)(8), (9), OR (10) OF THIS SUBTITLE, HAS SURRENDERED A LICENSE UNDER § 9–313 OF THIS SUBTITLE OR HAS HAD A LICENSE REVOKED UNDER § 9–314(B)(8), (9), OR (10) § 9–314 OF THIS SUBTITLE.~~

(2) A NURSING HOME OR NURSING HOME MANAGEMENT FIRM MAY HIRE OR RETAIN AS A CONSULTANT AN INDIVIDUAL WHO HAD A LICENSE REVOKED UNDER THIS SUBTITLE, BUT HAD ~~THEIR~~ THE LICENSE RESTORED BY THE BOARD, AND WHO IS NOW A LICENSEE IN GOOD STANDING UNDER THE PROVISIONS OF THIS TITLE.

**Article – Health – General**

15-114.

(a) In this section, "related institution" includes any of the following facilities, as classified from time to time by law, rule, or regulation:

- (1) A comprehensive care facility;
- (2) An extended care facility;
- (3) An intermediate care facility; and
- (4) A skilled nursing facility.

(b) This section applies only to the extent that federal funds are available for reimbursement under this section.

(c) **[In] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, AND IN** accordance with subsection (e) of this section, the Department shall reimburse each hospital-based related institution that:

- (1) Is a distinct part of an acute or chronic hospital; and
- (2) On and after July 1, 1980, is licensed as a related institution.

**(F) (1) IN THIS SUBSECTION, "MANAGEMENT FIRM" MEANS AN ORGANIZATION THAT:**

**(i) IS INTENDED TO HAVE OR HAS FULL RESPONSIBILITY AND CONTROL FOR THE DAY-TO-DAY OPERATIONS OF A NURSING HOME OR RELATED INSTITUTION; AND**

**(ii) IS UNDER CONTRACT WITH:**

**1. AN APPLICANT FOR A LICENSE FROM THE SECRETARY TO ESTABLISH, OPERATE, OR CONTINUE THE OPERATION OF AN EXISTING NURSING HOME OR RELATED INSTITUTION; OR**

**2. A HOLDER OF A LICENSE FROM THE SECRETARY TO OPERATE A NURSING HOME OR RELATED INSTITUTION.**

**(2) THE DEPARTMENT MAY NOT REIMBURSE A NURSING HOME OR RELATED INSTITUTION IF THE NURSING HOME OR RELATED INSTITUTION OR A MANAGEMENT FIRM OF A NURSING HOME OR RELATED INSTITUTION KNOWINGLY EMPLOYS OR RETAINS AS A CONSULTANT AN INDIVIDUAL WHO, FOR**

AN ACTIVITY DESCRIBED IN § 9-314(B)(8), (9), OR (10) OF THE HEALTH OCCUPATIONS ARTICLE, HAS:

**(I) ~~SURRENDERED~~ SURRENDERED A NURSING HOME ADMINISTRATOR LICENSE UNDER § 9-313 OF THE HEALTH OCCUPATIONS ARTICLE; OR ~~HAS~~**

**(II) ~~HAS HAD~~ HAD A NURSING HOME ADMINISTRATOR LICENSE REVOKED UNDER ~~§ 9-314(B)(8), (9), OR (10)~~ § 9-314 OF THE HEALTH OCCUPATIONS ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 24, 2012.**