
SUBSTITUTE HOUSE BILL 2954

State of Washington

61st Legislature

2010 Regular Session

By House Health & Human Services Appropriations (originally sponsored by Representative Cody; by request of Department of Social and Health Services)

READ FIRST TIME 02/05/10.

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 the department.~~)

14 (b)(i) Except as provided in (b)(ii) of this subsection, prior to
15 the issuance or renewal of the license, the licensee shall pay a
16 license fee. Until July 1, 2010, the license fee shall be established
17 by the department. Beginning on July 1, 2010, and thereafter, the per
18 bed license fee shall be established by the legislature in the biennial
19 budget act.

1 (ii) No fee shall be required of government operated institutions
2 or court-appointed receivers.

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

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

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

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

33 (1)(a) Upon receipt of an application for license, if the applicant
34 and the boarding home's facilities meet the requirements established
35 under this chapter, the department shall issue a license. If there is
36 a failure to comply with the provisions of this chapter or the
37 ~~((standards and))~~ rules adopted ~~((pursuant thereto))~~ under this

1 chapter, the department may in its discretion issue a provisional
2 license to an applicant for a license, or for the renewal of a
3 license(~~(,—a))~~. A provisional license ((which)) will permit the
4 operation of the boarding home for a period to be determined by the
5 department, but not to exceed twelve months(~~(,—which—provisional~~
6 ~~license))~~ and shall not be subject to renewal. The department may also
7 place conditions on the license under RCW 18.20.190. (~~(At the time of~~
8 ~~the application for or renewal of a license or provisional license the~~
9 ~~licensee shall pay a license fee as established by the department under~~
10 ~~RCW 43.20B.110))~~)

11 (b) At the time of the application for or renewal of a license or
12 provisional license, the licensee shall pay a license fee. Until July
13 1, 2010, the license fee shall be established by the department under
14 RCW 43.20B.110. Beginning on July 1, 2010, and thereafter, the per bed
15 license fee shall be established by the legislature in the biennial
16 budget act.

17 (~~(All licenses issued under the provisions of this chapter shall~~
18 ~~expire on a date to be set by the department, but no license issued~~
19 ~~pursuant to this chapter shall exceed twelve months in duration.~~
20 ~~However, when the annual license renewal date of a previously licensed~~
21 ~~boarding home is set by the department on a date less than twelve~~
22 ~~months prior to the expiration date of a license in effect at the time~~
23 ~~of reissuance, the license fee shall be prorated on a monthly basis and~~
24 ~~a credit be allowed at the first renewal of a license for any period of~~
25 ~~one month or more covered by the previous license.))~~) (c) A license
26 issued under this chapter shall not exceed twelve months in duration
27 and it shall expire on a date set by the department. A boarding home
28 license shall be issued only to the person that applied for the
29 license. All applications for renewal of a license shall be made not
30 later than thirty days prior to the date of expiration of the license.
31 Each license shall be issued only for the premises and persons named in
32 the application, and no license shall be transferable or assignable.
33 Licenses shall be posted in a conspicuous place on the licensed
34 premises.

35 (2) A licensee who receives notification of the department's
36 initiation of a denial, suspension, nonrenewal, or revocation of a
37 boarding home license may, in lieu of appealing the department's
38 action, surrender or relinquish the license. The department shall not

1 issue a new license to or contract with the licensee, for the purposes
2 of providing care to vulnerable adults or children, for a period of
3 twenty years following the surrendering or relinquishment of the former
4 license. The licensing record shall indicate that the licensee
5 relinquished or surrendered the license, without admitting the
6 violations, after receiving notice of the department's initiation of a
7 denial, suspension, nonrenewal, or revocation of a license.

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

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

23 (a) Operated a boarding home without a license or under a revoked
24 or suspended license; or

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

29 (c) Refused to allow representatives or agents of the department to
30 inspect (i) the books, records, and files required to be maintained, or
31 (ii) any portion of the premises of the boarding home; or

32 (d) Willfully prevented, interfered with, or attempted to impede in
33 any way (i) the work of any authorized representative of the
34 department, or (ii) the lawful enforcement of any provision of this
35 chapter; or

36 (e) Has a history of significant noncompliance with federal or
37 state regulations in providing care or services to vulnerable adults or
38 children. In deciding whether to deny, suspend, modify, revoke, or

1 refuse to renew a license under this section, the factors the
2 department considers shall include the gravity and frequency of the
3 noncompliance.

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

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

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

15 (2) Subject to the provisions of this section, the department shall
16 issue a license to an adult family home if the department finds that
17 the applicant and the home are in compliance with this chapter and the
18 rules adopted under this chapter, unless (a) the applicant or a person
19 affiliated with the applicant has prior violations of this chapter
20 relating to the adult family home subject to the application or any
21 other adult family home, or of any other law regulating residential
22 care facilities within the past five years that resulted in revocation,
23 suspension, or nonrenewal of a license or contract with the department;
24 or (b) the applicant or a person affiliated with the applicant has a
25 history of significant noncompliance with federal, state, or local
26 laws, rules, or regulations relating to the provision of care or
27 services to vulnerable adults or to children. A person is considered
28 affiliated with an applicant if the person is listed on the license
29 application as a partner, officer, director, resident manager, or
30 majority owner of the applying entity, or is the spouse of the
31 applicant.

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

33 (4) The department shall serve upon the applicant a copy of the
34 decision granting or denying an application for a license. An
35 applicant shall have the right to contest denial of his or her
36 application for a license as provided in chapter 34.05 RCW by

1 requesting a hearing in writing within twenty-eight days after receipt
2 of the notice of denial.

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

9 (6) The department shall license an adult family home for the
10 maximum level of care that the adult family home may provide. The
11 department shall define, in rule, license levels based upon the
12 education, training, and caregiving experience of the licensed provider
13 or staff.

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

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

19 ~~(9) ((The license fee shall be set at one hundred dollars per year
20 for each home. An eight hundred dollar processing fee shall also be
21 charged each home when the home is initially licensed. The processing
22 fee will be applied toward the license renewal in the subsequent three
23 years. A five hundred dollar rebate will be returned to any home that
24 renews after four years in operation.))~~ (a) Until July 1, 2010, the
25 license fee shall be set at one hundred dollars per year for each home.
26 An eight hundred dollar processing fee shall also be charged each home
27 when the home is initially licensed.

28 (b) Beginning on July 1, 2010, and thereafter, the per bed license
29 fee and any processing fees including the initial licensing fee, or any
30 rebate of an initial processing fee related to (a) of this subsection,
31 shall be established by the legislature in the biennial budget act.

32 (10) A provider who receives notification of the department's
33 initiation of a denial, suspension, nonrenewal, or revocation of an
34 adult family home license may, in lieu of appealing the department's
35 action, surrender or relinquish the license. The department shall not
36 issue a new license to or contract with the provider, for the purposes
37 of providing care to vulnerable adults or children, for a period of
38 twenty years following the surrendering or relinquishment of the former

1 license. The licensing record shall indicate that the provider
2 relinquished or surrendered the license, without admitting the
3 violations, after receiving notice of the department's initiation of a
4 denial, suspension, nonrenewal, or revocation of a license.

5 (11) The department shall establish, by rule, the circumstances
6 requiring a change in the licensed provider, which include, but are not
7 limited to, a change in ownership or control of the adult family home
8 or provider, a change in the provider's form of legal organization,
9 such as from sole proprietorship to partnership or corporation, and a
10 dissolution or merger of the licensed entity with another legal
11 organization. The new provider is subject to the provisions of this
12 chapter, the rules adopted under this chapter, and other applicable
13 law. In order to ensure that the safety of residents is not
14 compromised by a change in provider, the new provider is responsible
15 for correction of all violations that may exist at the time of the new
16 license.

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