

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

SENATE BILL 568

5 By: Senator Flippo  
6

## For An Act To Be Entitled

8 AN ACT TO EXPAND THE REVIEW OF LICENSE APPLICATIONS  
9 FOR LONG-TERM CARE FACILITIES; TO ELIMINATE ANNUAL  
10 RENEWAL FOR LONG-TERM CARE FACILITY LICENSES; TO  
11 REQUIRE NOTIFICATION OF CHANGES IN LONG-TERM CARE  
12 FACILITY MANAGEMENT; AND FOR OTHER PURPOSES.  
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## Subtitle

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15 TO EXPAND THE REVIEW OF LICENSE  
16 APPLICATIONS FOR LONG-TERM CARE  
17 FACILITIES; TO ELIMINATE ANNUAL RENEWAL  
18 FOR LONG-TERM CARE FACILITY LICENSES; AND  
19 TO REQUIRE NOTIFICATION OF CHANGES IN  
20 LONG-TERM CARE MANAGEMENT.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 20-10-224 is amended to read as follows:

27 20-10-224. License required – Administration by Department of Human  
28 Services.

29 (a) ~~No~~ A long-term care facility or related institution shall not be  
30 established, conducted, or maintained in this state without obtaining a  
31 license.

32 (b)(1) By properly promulgating rules, the Department of Human  
33 Services may provide for the issuance of provisional long-term care facility  
34 licenses and long-term care facility licenses, including the licensure of  
35 facilities with specialized wings, units, or rooms for ~~dementia~~ residents  
36 with dementia, ~~those suffering from~~ Alzheimer's disease, and other related



1 conditions.

2 (2) The licenses shall be effective ~~on a state fiscal year basis~~  
3 ~~and shall expire June 30 of each year, subject to revocation and to annual~~  
4 ~~renewal~~ without expiration unless the license is revoked, suspended, or  
5 terminated by the department.

6 (3)(A) If issued, a provisional license shall be effective upon  
7 submission of the application for licensure to the ~~Office of Long-Term Care~~  
8 department.

9 (B) The provisional license shall remain in effect until  
10 the issuance of the long-term care facility license unless the provisional  
11 license is revoked, suspended, or terminated by the department.

12 (c)(1) Applicants for long-term care facility licensure shall file  
13 applications under oath with the ~~office~~ department.

14 (2) Applications shall be signed by the administrator or the  
15 owner of the facility.

16 (3) Applications shall set forth the full name and address of  
17 the facility for which licensure is sought and additional information as the  
18 ~~office~~ department may require, including without limitation:

19 (A) Information on the administrator, directors,  
20 management company, operator, or other management agent that the applicant or  
21 applicants will use to manage the facility;

22 (B) Information on the owner or owners of the building or  
23 other structures that will be used in the operation of the facility;

24 (C) Information on all other facilities owned, operated,  
25 or managed by the applicant or applicants;

26 (D) Information on all other facilities owned, operated,  
27 or managed by the administrator, directors, management company, operator, or  
28 other management agent that the applicant or applicants will use to manage  
29 the facility; and

30 (E) ~~Affirmative~~ Affirmative evidence of ability to comply  
31 with standards, rules, and regulations as may be lawfully prescribed.

32 (d)(1) ~~No~~ A license shall not be issued ~~or renewed~~ for any long-term  
33 care facility unless the applicant has included in the application ~~the name~~  
34 ~~and such other~~ all information required for licensure and disclosure.

35 (2) ~~This~~ The requirement under subdivision (d)(1) of this  
36 section, as well as any other requirement determined appropriate by the

1 department, shall be in accordance with this section and the guidelines  
2 provided by the department.

3 (e)(1)(A) Whenever ownership of controlling interest in the operation  
4 of a facility is sold by the person or persons named in the license to any  
5 other person or persons, the buyer shall obtain a license to operate the  
6 facility.

7 (B) The buyer shall notify the department of the sale and  
8 apply for a license at least thirty (30) days before the completed sale.

9 (2)(A) Except as provided by the Arkansas Long-Term Care  
10 Facility Receivership Law, § 20-10-901 et seq., the seller shall notify the  
11 department at least thirty (30) days before the completed sale.

12 (B) The seller shall remain responsible for the operation  
13 of the facility until such time as a license is issued to the buyer.

14 (3) The buyer shall be subject to any plan of correction  
15 submitted by the previous licensee and approved by the department.

16 (4) The seller shall remain liable for all penalties assessed  
17 against the facility ~~which~~ that are imposed for violations or deficiencies  
18 occurring before ~~sale of ownership or operational control~~ the date the  
19 department issues the long-term care facility license to the buyer.

20 (5) The seller shall remain liable for all quality assurance  
21 fees and license fees that are assessed to the facility before the date the  
22 department issues the long-term care facility license to the buyer.

23 (6) ~~Before approval of~~ the department may approve the  
24 application for licensure of the buyer, the department shall consider and may  
25 deny a license based upon ~~the following~~ whether:

26 (A) ~~Whether the~~ The administrator, officers, directors, or  
27 partners management company, operator, or other management agent that the  
28 applicant will use to manage the facility have has ever been convicted of a  
29 felony;

30 (B) ~~Whether, within twelve (12) months before the license~~  
31 ~~application, any~~ A facility or facilities owned or operated by the applicant  
32 or applicants have been found, after final administrative decision, to have  
33 committed a Class A violation;

34 (C) A facility or facilities owned or operated by the  
35 administrator, directors, management company, operator, or other management  
36 agent that the applicant or applicants will use to manage the facility have

1 been found, after final administrative decision, to have committed a Class A  
2 violation;

3 (D) Whether during the three (3) years before the  
4 application, the The applicant or applicants have had a license revoked or  
5 suspended; or

6 (E) The administrator, directors, management company,  
7 operator, or other management agent that the applicant or applicants will use  
8 to manage the facility have had a license revoked;

9 ~~(D)~~(F) Whether the The applicant or applicants have  
10 demonstrated to the satisfaction of the department that any other facility  
11 owned, operated, or administered by the applicant or applicants has been is  
12 and has been in substantial compliance with the standards as set by  
13 applicable state and federal law for the previous twelve-month period before  
14 application for licensure; or

15 (G) The applicant or applicants have demonstrated to the  
16 satisfaction of the department that any other facility owned, operated, or  
17 administered by the administrator, directors, management company, operator,  
18 or other management agent that the applicant or applicants will use to manage  
19 the facility is and has been in substantial compliance with the standards as  
20 set by applicable state and federal law.

21 ~~(6)(A) Except as provided in subdivision (e)(6)(B) of this~~  
22 ~~section, the buyer shall not be issued a license until the buyer provides the~~  
23 ~~department with proof of payment by the buyer to the seller of a sum equal to~~  
24 ~~the annual fee under subsection (i) of this section.~~

25 ~~(B) The department shall process a renewal application~~  
26 ~~before issuing a license to a buyer if:~~

27 ~~(i) The buyer provides the department with proof of~~  
28 ~~payment by the buyer to the seller of a sum equal to the annual fee under~~  
29 ~~subsection (i) of this section;~~

30 ~~(ii) The sale occurs between March 1 and July 1 of~~  
31 ~~any year;~~

32 ~~(iii) The seller applied for or received a renewal~~  
33 ~~of the license; and~~

34 ~~(iv) The seller paid the annual fee under subsection~~  
35 ~~(i) of this section to the department.~~

36 (7) Before the department may approve the application for

1 licensure of the buyer, the seller or the buyer shall pay all outstanding  
2 quality assurance fees and license fees.

3 (8) The department may consider the mitigation of compliance  
4 issues by:

5 (A) An applicant or applicants related to subdivision  
6 (e)(6) of this section; and

7 (B) The administrator, directors, management company,  
8 operator, or other management agent that the applicant or applicants will use  
9 to manage the facility related to subdivision (e)(6) of this section.

10 (f)(1) Before issuing a license, or approving the operation of any  
11 long-term care facility ~~which~~ that was not licensed at the time of  
12 application or any additional bed capacity of a licensed facility, the  
13 department shall consider and may deny a license based upon the criteria  
14 established in subdivision ~~(e)(5)~~ (e)(6) of this section.

15 (2) This subsection is not intended to circumvent or alter the  
16 requirements set forth in § 20-8-101 et seq.

17 (g) Except for facilities operated by the State of Arkansas, each  
18 long-term care facility shall pay an annual licensure fee in the following  
19 amount:

20 (1) Residential care facilities shall pay an annual fee  
21 determined by multiplying five dollars (\$5.00) by the total number of  
22 licensed resident beds;

23 (2) Adult day care and adult day healthcare facilities shall pay  
24 an annual fee determined by multiplying five dollars (\$5.00) by the maximum  
25 number of persons the facility can serve; and

26 (3) All other long-term care facilities shall pay an annual fee  
27 determined by multiplying ten dollars (\$10.00) by the total licensed resident  
28 beds or maximum licensed client population.

29 (h) Annual licensure fees shall be tendered with each application for  
30 a new long-term care facility license and ~~with each long-term care facility~~  
31 ~~license renewal application~~ annually thereafter by the anniversary of the  
32 date the department issued the long-term care facility license.

33 ~~(i)(1)~~ Annual licensure fees are payable in one (1) sum.

34 ~~(2) Fees for new licensure applications may be prorated by~~  
35 ~~dividing the total fee by three hundred sixty five (365) and multiplying the~~  
36 ~~result by the number of days from the date the application is approved~~

1 through June 30, inclusive.

2 ~~(3) Applications for licensure renewal shall be delivered, or if~~  
3 ~~mailed shall be postmarked, on or before March 1.~~

4 (j) Any fee not paid when due shall be delinquent and shall be subject  
5 to assessment of a ten-percent penalty.

6 (k)(1) ~~No~~ A license or licensure renewal shall not be issued unless  
7 the initial annual licensure fee has been paid in full.

8 (2) If a long-term care facility fails to pay the annual  
9 licensure fee within sixty (60) calendar days of the anniversary of the date  
10 the department issued the long-term care facility license, the department may  
11 suspend the license until the annual licensure fee is paid in full.

12 (l) Licenses shall be issued only for the premises and persons named  
13 in the application and shall not be transferable.

14 (m) All funds derived from fees collected pursuant to §§ 20-10-213 -  
15 20-10-228 shall be deposited into the State Treasury and credited to the  
16 Division of Economic and Medical Services Administrative Fund to be used for  
17 the maintenance and operation of the long-term care facility licensure  
18 program.

19 (n) The department shall not require a license for an adult day care  
20 program that is excepted from the definition of "long-term care facility"  
21 under § 20-10-101.

22 (o)(1) If a long-term care facility intends to add, remove, or  
23 otherwise change the management company, operator, or other management agent  
24 that manages the long-term care facility, the long-term care facility shall  
25 notify the department.

26 (2) The long-term care facility shall notify the department of  
27 the change and request approval at least thirty (30) days before the change  
28 occurs.

29 (3) The long-term care facility shall provide the department  
30 with the information required to allow the department to evaluate whether the  
31 new management company, operator, or other management agent that manages the  
32 long-term care facility meets the eligibility criteria set forth in  
33 subdivision (e)(6) of this section.

34 (4)(A) The long-term care facility shall receive approval of the  
35 change from the department before the change occurs unless the change is  
36 required due to an emergency.

1                   (B) If a change occurs without prior approval from the  
2 department due to an emergency, the long-term care facility shall notify the  
3 department within ten (10) days of the change.

4                   (5)(A) The department may deny a requested change based on the  
5 criteria established in subdivision (e)(6) of this section.

6                   (B) If the department denies a requested change, the long-  
7 term care facility may not employ or otherwise use the denied management  
8 company, operator, or other management agent.

9                   (p) A long-term care facility is not required to notify or receive  
10 approval from the department for a change involving vendors that provide  
11 services to the long-term care facility but do not manage the facility.

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13                   SECTION 2. Arkansas Code § 20-10-1707(a), concerning licensure of  
14 assisted living facilities under the Arkansas Assisted Living Act, is amended  
15 to read as follows:

16                   (a)(1) Each assisted living facility in the State of Arkansas shall  
17 first obtain a license to operate from the Department of Human Services under  
18 § 20-10-224 and the rules promulgated by the department.

19                   (2) The department shall promulgate rules for the licensure and  
20 operation of assisted living facilities.

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22                   SECTION 3. Arkansas Code § 20-10-2004(a), concerning the licensure of  
23 unlicensed long-term care facilities under the Unlicensed Long-Term Care  
24 Facilities Act, is amended to read as follows:

25                   (a) Any assisted living facility or residential care facility composed  
26 of a building or buildings, section, or distinct part of a building, whether  
27 operated for profit or not, shall be licensed as a long-term care facility by  
28 the ~~Office of Long-Term Care~~ Department of Human Services under § 20-10-224  
29 and the rules promulgated by the department if the facility:

30                   (1) Houses more than three (3) individuals for a period  
31 exceeding twenty-four (24) hours;

32                   (2) Provides meals or other congregate services; and

33                   (3) Either:

34                               (A) Provides supervision of residents; or

35                               (B) Offers or provides assistance with activities of daily  
36 living, including, but not limited to:

- 1 (i) Eating;
- 2 (ii) Bathing;
- 3 (iii) Dressing;
- 4 (iv) Grooming;
- 5 (v) Ambulating;
- 6 (vi) Toileting; or
- 7 (vii) Taking medications.

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