1	Introduced by Committee on Human Services
2	Date:
3	Subject: Human services; nursing homes; transfer of ownership; Department
4	of Disabilities, Aging, and Independent Living
5	Statement of purpose of bill as introduced: This bill proposes to establish a
6	working group to examine the oversight of nursing homes in Vermont. It
7	would also eliminate a requirement for a certificate of need prior to the transfer
8	of ownership of a nursing home.
9	An act relating to nursing home oversight
10	It is hereby enacted by the General Assembly of the State of Vermont:
11	Sec. 1. NURSING HOME OVERSIGHT WORKING GROUP; REPORT
12	(a) Creation. There is created the Nursing Home Oversight Working Group
13	to examine the oversight of nursing homes in Vermont, including financial
14	stability and licensing criteria, in order to ensure the provision of high-quality
15	services and a safe and stable environment for nursing home residents.
16	(b) Membership. The Working Group shall be composed of the following
17	six nine members:
18	(1) the Commissioner of Disabilities, Aging, and Independent Living or
19	designee, who shall be the Chair;

1	(2) the Director of the Division of Licensing and Protection in the
2	Department of Disabilities, Aging, and Independent Living or designee;
3	(3) the Director of the Division of Rate Setting in the Agency of Human
4	Services or designee;
5	(4) the Vermont Attorney General or designee;
6	(5) the State Long-Term Care Ombudsman or designee;
7	(6) the Executive Director of the Vermont Health Care Association or
8	designee;
9	(7) a member of the Department of Disabilities, Aging, and
10	Independent Living Advisory Board appointed by the Commissioner;
11	(8) a nursing home owner or administrator appointed by the
12	Commissioner; and
13	(9) a nursing home resident appointed by the State Long-Term Care
14	Ombudsman.
15	(c) Powers and duties. The Working Group shall:
16	(1) identify procedures to monitor nursing homes' ongoing financial
17	stability and to provide for early identification of nursing homes in financial
18	distress;
19	(2) determine whether and what types of additional financial data may
20	be necessary to evaluate nursing homes' ongoing financial stability, including
21	cost data related to real estate lease agreements with related or other parties

1	resulting from the separation of the entity owning the real estate from the entity
2	operating the facility;
3	(3) review the types and frequency of the financial data currently
4	reported by nursing homes to the Division of Rate Setting;
5	(4) evaluate the processes by which the Division of Rate Setting
6	currently reviews nursing home financial data;
7	(5) develop methods to address circumstances in which nursing homes
8	are determined to be in financial distress;
9	(6) determine the appropriate regulatory entity or entities and the
10	resources needed to monitor the ongoing financial stability of nursing homes;
11	(7) identify any changes to the Division of Rating Setting's current
12	rules that are needed to support nursing homes' ongoing financial stability to
13	ensure the provision of high-quality services and a safe and stable environment
14	for nursing home residents, and estimate the amount of associated increased
15	costs to the Medicaid program, if any; and
16	(8) review current nursing home application and licensure requirements
17	and identify any changes that are needed to ensure that:
18	(A) for the transfer of ownership of a nursing home, the purchaser
19	has obtained the necessary financing for the transaction prior to the issuance of
20	a license;

1	(B) appropriate and objective criminal background, abuse registry,
2	regulatory, and quality information is considered prior to issuance of initial and
3	renewal licenses; and
4	(C) appropriate information is disclosed through the application
5	process to enable the identification of the ownership, controlling, and
6	management interests in both the real estate and operations components of the
7	nursing home.
8	(d) Assistance. The Working Group shall have the administrative,
9	technical, and legal assistance of the Department of Disabilities, Aging, and
10	Independent Living.
11	(e) Report. On or before January 15, 2019, the Working Group shall
12	submit a written report to House Committee on Human Services and the Senate
13	Committee on Health and Welfare that includes its findings and any
14	recommendations for legislative action.
15	Sec. 2. 18 V.S.A. § 9434 is amended to read:
16	§ 9434. CERTIFICATE OF NEED; GENERAL RULES
17	(a) A health care facility other than a hospital shall not develop or have
18	developed on its behalf a new health care project without issuance of a
19	certificate of need by the Board. For purposes of this subsection, a "new
20	health care project" includes the following:
21	* * *

1	(3) The offering of any home health service, or the transfer or
2	conveyance of more than a 50 percent ownership interest in a health care
3	facility other than a hospital or nursing home.
4	* * *
5	Sec. 3. EFFECTIVE DATES
6	(a) Sec. 1 (Nursing Home Oversight Working Group) and this section shall
7	take effect on passage.
8	(b) Sec. 2 (18 V.S.A. § 9434) shall take effect on July 1, 2018 and shall
9	apply to all transfers of ownership initiated on or after that date.