

FEB 7 1995

HOUSE FILE 143

BY RUNNING

**HUMAN RESOURCES**

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the basis for admission and care of residents  
 2 in nursing facilities and providing penalties.  
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 143

1 Section 1. Section 135C.10, Code 1995, is amended by  
2 adding the following new subsection:

3 NEW SUBSECTION. 11. Failure to comply with the require-  
4 ments of section 135C.31A regarding the basis for admission of  
5 residents to or segregation of a resident in a nursing  
6 facility and to maintenance of a listing of applicants to a  
7 nursing facility.

8 Sec. 2. NEW SECTION. 135C.31A NURSING FACILITIES --  
9 BASIS FOR ADMISSION -- SEGREGATION OF RESIDENTS -- PENALTIES.

10 1. A nursing facility shall not do any of the following  
11 based upon the source of payment of the resident's cost of  
12 care:

13 a. Segregate residents within the facility.

14 b. Establish a system of the order of admission of  
15 applicants.

16 2. If a nursing facility maintains a listing of applicants  
17 for admission, the applicants shall be admitted in the order  
18 in which the applicants initially apply for admission, not  
19 based upon any other factor, including source of payment for  
20 the resident's cost of care, unless documentation is provided  
21 to the facility verifying the potential resident's death or  
22 the applicant's desire to cancel the application for  
23 admission. Notwithstanding the requirements of this sub-  
24 section, a nursing facility may admit an applicant who is the  
25 spouse of a current resident when a bed becomes available even  
26 though the spouse is not listed first in the listing based on  
27 initial application.

28 3. a. Notwithstanding section 135C.36, a nursing facility  
29 is subject to the following penalties:

30 (1) For each of the first three violations of this section  
31 within a twelve-month period, a penalty of not less than one  
32 thousand dollars and not more than four thousand dollars.

33 (2) For fourth or subsequent violation of this section,  
34 whether or not the violation is within the twelve-month  
35 period, a penalty of ten thousand dollars.

1 b. A nursing facility is also subject to denial, suspen-  
2 sion, or revocation of licensure pursuant to section 135C.10,  
3 or in the alternative, may be subject to conditional licensure  
4 for a twenty-four-month period or to receivership pursuant to  
5 section 135C.12.

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EXPLANATION

This bill prohibits a nursing facility from segregating residents, designating the use of beds within the facility, or establishing a system of admission of residents based upon the source of payment of the resident's cost of care. The bill also requires that applicants for admission be admitted in order of initial application for admission unless it is documented that the resident has died or no longer desires admission to the facility or unless the spouse of a current resident is seeking admission and is not the next applicant listed. The bill also establishes penalties for violation of the provisions of the bill, including monetary penalties, conditional licensure for a 24-month period, or placement of the facility under receivership until the facility is brought into compliance with the requirements established in the bill.

HOUSE FILE 143  
FISCAL NOTE

A fiscal note for House File 143 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 143 prohibits a nursing facility from segregating residents, designating the use of beds within the facility, or establishing a system of admission based upon the source of payment. The bill also requires that applicants be admitted in order of initial application unless the applicant has died, no longer desires admission to the facility, or the spouse of a current resident is seeking admission and is not the next applicant listed.

Assumptions

The Department of Inspections and Appeals would assess compliance with this requirement upon receipt of a complaint.

Investigation of a complaint regarding this requirement would consist of a site visit, review of records, and interviews with staff members and the complainant. This is the same procedure followed for investigation of other complaints.

1 instances of substantiated complaints would result in informal and formal hearings.

Fiscal Impact

As the number of complaints regarding this requirement cannot be estimated, the fiscal impact has been determined on a per case basis. The cost per case would consist of the cost included in the investigation, an informal hearing, and a formal hearing.

Cost Per Investigation	\$ 648.00
Cost Per Informal Hearing	913.00
Cost Per Formal Hearing	<u>1,336.00</u>
Total Cost Per Case	\$2,897.00

\*Note: According to the Department of Human Services, many high cost, high quality nursing facilities strictly limit the number of Medicaid recipients that can be admitted. As this bill would require them to admit any Medicaid recipient applying for admission if a vacant bed exists, it is likely that there would be an increasing number of Medicaid recipients in more costly facilities, thus adding to Medicaid costs. These costs are not included in the above estimate.

Sources:

Department of Inspections and Appeals  
Department of Human Services

(LSB 1369hh. LDC)