

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 20, 2005

Regulation Package #0205-02

CDSS MANUAL LETTER NO. CCL-05-12

TO: HOLDERS OF THE COMMUNITY CARE LICENSING MANUAL, TITLE 22, DIVISION 6,
CHAPTER 8.5, RESIDENTIAL CARE FACILITIES FOR THE CHRONICALLY ILL

Regulation Package #0205-02**Effective 6/15/05****Sections 87834 and 87836**

This manual letter has been posted on the Office of Regulations Development website at http://www.dss.cahwnet.gov/ord/Residentia_634.htm.

The Budget Act for 2004-2005 included changes to the CCL fee structure that increased licensing fees and established new fees. SB 1104 authorizes the Department to collect licensing fees. Current regulations are inconsistent with and superceded by the new statute. Changes are necessary to make the regulations consistent with the amended licensing fee statutes.

These regulations were nonsubstantive; therefore, no public hearing was held.

FILING INSTRUCTIONS

Revisions to all manuals are shown in graphic screen. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Community Care Licensing changes was Manual Letter No. CCL-05-11. The latest prior manual letter containing Residential Care Facilities for the Chronically Ill regulation changes was Manual Letter No. CCL-05-04.

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Attachments	1 and 2 52 through 55.2	1 and 2 52 through 55

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87834 SUBMISSION OF NEW APPLICATION

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- (a) A licensee shall file a new application as required by Section 87818 whenever there is a change in conditions or limitations described on the current license, including, but not limited to, the following:
- (1) Any change in the location of the facility.
 - (A) Under these circumstances, the licensee shall be required to pay the reduced fee as specified in Section 87836 (c).
 - (2) Any change of licensee, including, but not limited to, the following when the licensee is a corporation.
 - (A) Sale or transfer of the majority of stock.
 - (B) Separating from a parent company.
 - (C) Merger with another company.
 - (3) Any change in facility category.
 - (4) Any increase in capacity.
 - (A) The Department shall have the authority to grant capacity increases without resubmission of a total application package, following a Department review and the securing of an appropriate fire clearance.
 - (B) The applicant shall pay the fee as specified in Health and Safety Code Section 1568.05(b)(1)(c).

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Health and Safety Code Section 1568.05(b)(1)(c) provides in pertinent part:

"(c) A fee of twenty-five dollars (\$25) when an existing licensee seeks to either increase or decrease the licensed capacity of the facility."

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- (5) A permanent change in the number of nonambulatory residents.
- (b) A new application Form LIC 200 as required by Section 87818 shall be filed whenever an applicant fails to submit the information necessary to complete the application within the time limit required by Section 87827 (a) if the applicant chooses to continue the application process.

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- (c) The Department shall not require the completion of the entire application process when a licensee applies for a new license due to a change in the facility location as specified in Section 87818(f).

NOTE: Authority cited: Section 1568.072, Health and Safety Code. Reference: Sections 1568.061 and 1568.072, Health and Safety Code.

87835	CONDITIONS FOR FORFEITURE OF A RESIDENTIAL CARE FACILITY FOR THE CHRONICALLY ILL LICENSE	87835
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- (a) The facility license shall be forfeited when the licensee:
 - (1) Sells or otherwise transfers the facility or facility property, except when change of ownership applies to transferring of stock when the facility is owned by a corporation, and when such transfer of stock does not constitute a majority change of ownership.
 - (2) Surrenders the license to the department.
 - (3) Moves a facility from one location to another.
 - (4) Is convicted of any crime specified in Sections 220, 243.4 or 264.1, or paragraph (1) of Section 273a, Section 273d, 288, or 289 of the Penal Code, or is convicted of another crime specified in subdivision (c) of Section 667.5 of the Penal Code.
 - (5) Dies.
- (b) If the facility licensee dies, an adult relative who has control of the property shall be permitted to operate a previously licensed facility under an Emergency Approval to Operate (LIC 9117 4/93) (EAO) providing the following conditions are met:
 - (1) The relative or an adult acting on the relative's behalf notifies the Department by telephone during the first working day after the licensee's death that the relative intends to operate the community care facility.

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- (2) The relative files with the Department within five calendar days of the licensee's death an Application for License (LIC 200 7/91) and evidence of the licensee's death as defined in Section 87801(e)(3).
 - (A) Notwithstanding the instructions on the Application for License (LIC 200 7/91), the Department shall permit the relative to submit only the information on the front side of that form.
- (3) The relative files with the California Department of Justice within five calendar days of the licensee's death his/her fingerprint cards.
- (c) If the adult relative complies with (b)(1) and (2) above, he/she shall not be considered to be operating an unlicensed facility pending the Department decision on whether to approve a provisional license.
- (d) The Department shall make a decision within 60 days after the application is submitted on whether to issue a provisional license pursuant to Section 87830.
 - (1) A provisional license shall be granted only if the Department is satisfied that the conditions specified in (b) above and Section 87830 have been met and that the health and safety of the residents of the facility will not be jeopardized.

NOTE: Authority cited: Section 1568.072, Health and Safety Code. Reference: Sections 1568.061, 1568.061(e), 1568.064, and 1568.072, Health and Safety Code.

87836	LICENSING FEES	87836
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- (a) The applicant or licensee shall pay fees charged by the Department as specified in Health and Safety code Section 1568.05.

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Health and Safety Code Section 1568.05 provides:

"(a) An application fee adjusted by facility and capacity, shall be charged by the department for a license to operate a residential care facility. After initial licensure, a fee shall be charged by the department annually, on each anniversary of the effective date of the license. The fees are for the purpose of financing the activities specified in this chapter. Fees shall be assessed as follows:

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Fee Schedule

Capacity	Initial Application	Annual
1-6	\$500	\$250 plus \$10 per bed
7-15	\$626	\$313 plus \$10 per bed
16-25	\$750	\$375 plus \$10 per bed
26-50	\$876	\$438 plus \$10 per bed
51+	\$876	\$438 plus \$10 per bed

(b) (1) In addition to fees set forth in subdivision (a), the department shall charge the following fees:

(A) A fee that represents 50 percent of an established application fee when an existing licensee moves the facility to a new physical address.

(B) A fee that represents 50 percent of the established application fee when a corporate licensee changes who has the authority to select a majority of the board of directors.

(C) A fee of twenty-five dollars (\$25) when an existing licensee seeks to either increase or decrease the licensed capacity of the facility.

(D) An orientation fee of fifty dollars (\$50) for attendance by any individual at a department-sponsored orientation session.

(E) A probation monitoring fee equal to the annual fee, in addition to the annual fee for that category and capacity for each year a license has been placed on probation as a result of a stipulation or decision and order pursuant to the administrative adjudication procedures of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(F) A late fee that represents an additional 50 percent of the established annual fee when any licensee fails to pay the annual licensing fee on or before the due date as indicated by postmark on the payment.

(G) A fee to cover any costs incurred by the department for processing payments including, but not limited to, bounced check charges, charges for credit and debit transactions, and postage due charges.

(H) A plan of correction fee of two hundred dollars (\$200) when any licensee does not implement a plan of correction on or prior to the date specified in the plan.

(2) No local governmental entity shall impose any business license, fee, or tax for the privilege of operating a facility licensed under this chapter which serves six or fewer persons.

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(c) All fees collected pursuant to subdivisions (a) and (b) shall be deposited in the Technical Assistance Fund.

(d) The revenues collected from licensing fees pursuant to this section shall be utilized by the department for the purpose of ensuring the health and safety of all individuals provided care and supervision by licensees and to support activities of the licensing program, including, but not limited to, monitoring facilities for compliance with licensing laws and regulations pursuant to this chapter, and other administrative activities in support of the licensing program, when appropriated for these purposes. The revenues collected shall be used in addition to any other funds appropriated in the Budget Act in support of the licensing program.

(e) The department shall not utilize any portion of the revenues collected pursuant to this section sooner than 30 days after notification in writing of the purpose and use of this revenue, as approved by the Director of Finance, to the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the committee in each house that considers appropriations for each fiscal year. The department shall submit a budget change proposal to justify any positions or any other related support costs on an ongoing basis.

(f) Fees established pursuant to this section shall not be effective unless licensing fees are established for all adult residential facilities licensed by the department.

(g) A residential care facility may use a bona fide business check to pay the license fee required under this section.

(h) The failure of an applicant for licensure or a licensee to pay all applicable and accrued fees and civil penalties shall constitute grounds for denial or forfeiture of a license.”

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87836 LICENSING FEES (Continued)**87836**

- (b) A fee shall be charged at the time of application and annually thereafter according to capacity.
- (c) When a licensee moves a facility from one location to another, the relocation fee shall be as specified in Health and Safety Code Section 1568.05(b)(1)(A).
- (1) The relocation fee shall be charged under either of the following conditions:
- (A) The facility moves from one location to another and notifies the Department at least 30 calendar days before actual relocation.
- OR
- (B) The facility relocates due to an emergency.
- (2) The fee shall be based on requested capacity at the new location.
- (d) The fees shall be nonrefundable.

NOTE: Authority cited: Section 1568.072, Health and Safety Code. Reference: Sections 1568.05, 1568.061, and 1568.072, Health and Safety Code.