## ADOPTED REGULATION OF THE

#### STATE BOARD OF HEALTH

#### LCB File No. R046-14

Effective October 24, 2014

EXPLANATION – Matter in *italics* is new; matter in brackets [omitted material] is material to be omitted.

AUTHORITY: §§1 and 3-34, NRS 449.0302 and 449.0303; §§2, 35 and 36, NRS 439.150, 449.0302, 449.0303 and 449.050.

A REGULATION relating to public health; establishing requirements for the licensure of psychiatric residential treatment facilities; establishing grounds for the suspension and revocation of such a license; imposing certain fees for the issuance and renewal of such a license; and providing other matters properly relating thereto.

# **Legislative Counsel's Digest:**

Existing law authorizes the State Board of Health to adopt regulations requiring the licensing of certain facilities if: (1) the facility provides any type of medical care or treatment; and (2) regulation is necessary to protect the health of the general public. (NRS 449.0303)

This regulation sets forth requirements for a psychiatric residential treatment facility. **Section** 7 of this regulation requires a license to operate or provide the services of a psychiatric residential treatment facility, and **section 8** of this regulation sets forth the requirements for obtaining such a license, including, without limitation, providing proof that the applicant for the license has applied for accreditation by certain accrediting organizations. **Section 8** further requires a psychiatric residential treatment facility to cease to operate, as soon as practicable, if: (1) the psychiatric residential treatment facility fails to obtain the accreditation within 6 months after obtaining a license or fails to maintain current accreditation; or (2) the accreditation is revoked or otherwise no longer valid. **Sections 9 and 10** of this regulation require the Division of Public and Behavioral Health of the Department of Health and Human Services to conduct an investigation of an applicant before issuing such a license.

**Section 11** of this regulation requires a psychiatric residential treatment facility to meet the needs of and provide quality care to its residents. **Section 11** further requires a psychiatric residential treatment facility to: (1) define in writing the scope of services provided by each department, unit or service within the psychiatric residential treatment facility; and (2) obtain approval of the scope of services from the administration and the medical staff of the psychiatric residential treatment facility.

**Sections 11 and 12** of this regulation require the administrator of a psychiatric residential treatment facility to: (1) perform certain tasks relating to adequacy and competency of the staff

of a psychiatric residential treatment facility; and (2) ensure that the psychiatric residential treatment facility has an effective, comprehensive quality improvement program to evaluate the provision of care to its residents.

- **Section 13** of this regulation prohibits a psychiatric residential treatment facility from having more residents than the number of beds for which it is licensed.
- **Section 14** of this regulation requires the buildings of a psychiatric residential treatment facility to be solidly constructed with adequate space and safeguards for each resident. **Section 14** further requires a psychiatric residential treatment facility to take certain measures to prepare for an emergency.
- **Sections 15-17** of this regulation establish requirements to meet the personal needs of the residents of a psychiatric residential treatment facility and requirements relating to the sanitation of a psychiatric treatment facility.
- Sections 18, 19, 30 and 31 of this regulation require a psychiatric residential treatment facility to develop and carry out policies and procedures concerning: (1) admission and discharge of residents; (2) protection and support of the rights of residents; and (3) employment, licensing and certification of personnel of the facility.
- **Sections 20-24** of this regulation establish requirements for the planning, preparation and provision of meals to residents of a psychiatric residential treatment facility.
- **Sections 25-27** of this regulation establish requirements concerning: (1) the administration of a medication or biological to a resident; and (2) reporting of errors in the administration of drugs to residents and abuses and losses of controlled substances.
- **Section 28** of this regulation prohibits a psychiatric residential treatment facility from discriminating in the admission of or the provision of services to a person based on race, color, religion, national origin, ancestry, age, gender, disability, sexual orientation or gender identity or expression.
- **Section 29** of this regulation requires the needs of residents to be assessed by qualified personnel throughout the residents' stay at the facility and reassessed under certain circumstances.
- **Section 32** of this regulation requires a psychiatric residential treatment facility to maintain a record for each resident evaluated or treated in the psychiatric residential treatment facility.
- **Section 33** of this regulation requires a psychiatric residential treatment facility to conform with all applicable provisions of federal, state and local laws, regulations and ordinances.
- **Section 34** of this regulation authorizes the Division to suspend, revoke or cancel a license to operate as a psychiatric residential treatment facility and issue a provisional license under certain conditions.

Existing law authorizes the State Board of Health to set reasonable fees for the licensing, registration, certification and inspection of, and the granting of permits for, any facility, establishment or service regulated by the Division. (NRS 439.150, 449.050) **Section 36** of this regulation prescribes fees for an applicant for a license to operate a psychiatric residential facility or to renew such a license.

- **Section 1.** Chapter 449 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 34, inclusive, of this regulation.
- Sec. 2. "Psychiatric residential treatment facility" has the meaning ascribed to it in section 5 of this regulation.
- Sec. 3. As used in sections 3 to 34, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 4, 5 and 6 of this regulation have the meanings ascribed to them in those sections.
- Sec. 4. "Administrator" means the person who is appointed by a psychiatric residential treatment facility to have primary responsibility for the operations of the overall program of the facility.
- Sec. 5. "Psychiatric residential treatment facility" means a facility, other than a hospital, that provides a range of psychiatric services to treat residents under the age of 21 years on an inpatient basis under the direction of a physician.
- Sec. 6. "Resident" means a person who resides in a psychiatric residential treatment facility and receives psychiatric services at the facility.
- Sec. 7. A person or a public or private facility shall not operate or provide the services of a psychiatric residential treatment facility or represent that the person or the public or private entity operates or provides the services of a psychiatric residential treatment facility, unless the person or the public or private facility is licensed by the Division pursuant to sections 3 to 34, inclusive, of this regulation to operate the psychiatric residential treatment facility.

- Sec. 8. 1. If a person or a public or private facility wants to operate a psychiatric residential treatment facility, the person or the public or private facility must:
  - (a) File with the Division an application for a license pursuant to NAC 449.011;
  - (b) Include with the application proof that the applicant has applied for accreditation by:
    - (1) The Joint Commission;
    - (2) The Commission on Accreditation of Rehabilitation Facilities;
    - (3) The Council on Accreditation; or
- (4) Any other accrediting organization with comparable standards that is approved by the Board pursuant to subsection 2; and
- (c) Demonstrate that the proposed psychiatric residential treatment facility is able to comply with the requirements set forth in sections 3 to 34, inclusive, of this regulation.
- 2. An organization which accredits psychiatric residential treatment facilities that wishes to be recognized by the Board as an accrediting organization for the purposes of this section must submit to the Division an application on a form prescribed by the Division. The Division shall review each application received pursuant to this subsection and shall forward to the Board each application, including the recommendation of the Division whether to approve or deny the application. The recommendation of the Division must be based upon whether the applicant requires a psychiatric residential treatment facility to meet minimum requirements necessary to ensure a high level of quality. The Board may approve or deny an application submitted pursuant to this subsection.
- 3. If a psychiatric residential treatment facility fails to obtain the accreditation described in paragraph (b) of subsection 1 within 6 months after obtaining a license or fails to maintain

current accreditation, or if the accreditation is revoked or otherwise no longer valid, the psychiatric residential treatment facility shall, as soon as practicable, cease to operate.

- Sec. 9. After it receives a properly completed application, accompanied by the appropriate fee, the Division shall conduct an investigation of the applicant and inspect the proposed psychiatric residential treatment facility.
- Sec. 10. The Division shall issue a license to operate a psychiatric residential treatment facility to the applicant if, after investigation, the Division finds that the applicant is in substantial compliance with the provisions of sections 3 to 34, inclusive, of this regulation.
- Sec. 11. 1. A psychiatric residential treatment facility must be administered in a manner that enables the psychiatric residential treatment facility to use its resources effectively and efficiently to meet the needs of and provide quality care to its residents. The psychiatric residential treatment facility shall develop and provide services for the care of its residents based on the identified needs of those residents.
- 2. A psychiatric residential treatment facility must define in writing the scope of services provided by each department, unit or service within the psychiatric residential treatment facility. The written scope of services must be approved by the administration and the medical staff of the psychiatric residential treatment facility. Each department, unit or service within a psychiatric residential treatment facility shall provide residents care in accordance with its scope of services. The policies and procedures of a psychiatric residential treatment facility and of each department, unit or service within the psychiatric residential treatment facility must, to the extent necessary, be integrated with the policies and procedures of the other departments, units and services within the psychiatric residential treatment facility.
  - 3. The administrator shall:

- (a) Ensure that the competence of all members of the staff of the psychiatric residential treatment facility is assessed, maintained, demonstrated and improved;
- (b) Provide an orientation process for persons hired to work at the psychiatric residential treatment facility that includes initial job training and information; and
- (c) Assess the ability of the members of the staff of the psychiatric residential treatment facility to fulfill their specified responsibilities.
- 4. The administrator shall ensure that the psychiatric residential treatment facility is staffed by a sufficient number of personnel, whose qualifications are consistent with their job responsibilities, to provide care to the residents of the psychiatric residential treatment facility.
- Sec. 12. 1. The administrator shall ensure that the psychiatric residential treatment facility has an effective, comprehensive quality improvement program to evaluate the provision of care to its residents.
  - 2. The quality improvement program must:
  - (a) Be ongoing;
  - (b) Include a written plan for carrying out the program; and
  - (c) Provide for the creation of a committee to oversee the program.
  - 3. The committee to oversee the program shall:
- (a) Take and document appropriate remedial action to address deficiencies found through the quality improvement program;
  - (b) Document the outcome of any remedial action taken; and
  - (c) Initiate any assessments required by the quality improvement program.
- 4. When the findings of an assessment relate to the performance of an individual licensed practitioner, the medical staff shall determine how such a finding will be used in any peer

review, ongoing monitoring and periodic evaluations of the competence of the practitioner. If the findings of the assessment relate to the performance of a person who is not a licensed practitioner, the director of the department, unit or service in which that person works shall determine how the finding will be used in evaluating the competence of the person.

- Sec. 13. A psychiatric residential treatment facility shall not have more residents than the number of beds for which it is licensed.
- Sec. 14. 1. The buildings of a psychiatric residential treatment facility must be solidly constructed with adequate space and safeguards for each resident. The condition of the physical plant and the overall environment of the psychiatric residential treatment facility must be developed and maintained in a manner that ensures the safety and well-being of residents.
- 2. A psychiatric residential treatment facility shall develop and carry out a comprehensive plan for emergency preparedness which:
  - (a) Addresses internal and external emergencies, both local and widespread; and
  - (b) Is based on current standards for disaster management and fire safety.
- 3. A psychiatric residential treatment facility shall ensure that the staff and residents of the psychiatric residential treatment facility are adequately protected from fire and other disasters.
- Sec. 15. 1. A psychiatric residential treatment facility shall provide residents access to their belongings as is appropriate based on the needs of the residents and the phase of treatment of the residents.
- 2. A psychiatric residential treatment facility shall provide a clean and comfortable bed and mattress for each resident. Bed linens, blankets, pillows, washcloths and towels that are

clean and in good condition must be provided to each resident. A psychiatric residential treatment facility shall have such systems as are necessary to ensure that an adequate supply of clean linens is provided to each resident.

- 3. A psychiatric residential treatment facility shall provide each resident with necessary bedside equipment and supplies based on the needs of the resident. The necessary equipment and supplies must include, without limitation, equipment for personal hygiene. The equipment and supplies must be maintained in a sanitary manner.
  - 4. A psychiatric residential treatment facility shall provide:
  - (a) Adequate lighting levels; and
  - (b) Comfortable and safe temperature levels.
- Sec. 16. 1. A psychiatric residential treatment facility shall establish organized housekeeping services planned, operated and maintained to provide a pleasant, safe and sanitary environment. Adequate personnel, using accepted practices and procedures, shall keep the psychiatric residential treatment facility free from offensive odors, accumulations of dirt, rubbish and dust and safety hazards.
- 2. The psychiatric residential treatment facility shall ensure that cleaning is performed in a manner that minimizes the spread of pathogenic organisms.
- 3. A psychiatric residential treatment facility shall develop and carry out standards and systems for the operation of laundry services. Laundry services, whether owned by the psychiatric residential treatment facility or provided pursuant to a contract, must:
  - (a) Meet standards for a safe work environment for employees; and
  - (b) Address issues relating to the control of infections.

- 4. A psychiatric residential treatment facility shall develop and carry out written policies relating to the handling, storage, transportation and processing of its linens.
  - Sec. 17. A psychiatric residential treatment facility shall:
- 1. Provide a sanitary environment to avoid sources and transmission of infections and communicable diseases;
- 2. Develop and carry out an active program for the prevention, control and investigation of infections and communicable diseases;
- 3. Develop a system for identifying, reporting, investigating and controlling infections and communicable diseases of residents and personnel of the psychiatric residential treatment facility; and
- 4. Maintain a record of incidents within the psychiatric residential treatment facility related to infections and communicable diseases.
  - Sec. 18. A psychiatric residential treatment facility shall:
  - 1. Develop and carry out policies and procedures for admitting residents; and
- 2. Ensure that each resident, or the parent, guardian or other person legally responsible for the resident, receives information about the proposed care of the resident.
  - Sec. 19. A psychiatric residential treatment facility shall:
  - 1. Have a process for discharge planning that applies to all residents;
- 2. Develop and carry out policies and procedures regarding the process for discharge planning;
- 3. Ensure activities relating to discharge planning are conducted in a manner that does not contribute to delays in the discharge of the resident;

- 4. Ensure the evaluation of the needs of a resident relating to discharge planning and the discharge plan for the resident are documented in his or her record; and
- 5. Ensure the discharge plan is discussed with the resident or the person acting on behalf of the resident.
  - Sec. 20. A psychiatric residential treatment facility shall:
- 1. Provide each resident with a nourishing, palatable, well-balanced diet that meets the daily nutritional and dietary needs of the resident.
- 2. Ensure that the menu for a resident meets the nutritional needs of the resident in accordance with:
  - (a) Recognized dietary practices; and
  - (b) The orders of the practitioners responsible for the care of the resident.
- 3. Ensure that not fewer than three meals are served daily to residents and not more than 15 hours elapse between the evening meal and breakfast served the following day.
- 4. Ensure that nourishment is provided between meals as required by diet prescription and is available to each resident unless otherwise ordered by the physician of the resident.
- 5. Except as otherwise provided in this subsection, ensure that menus are followed. A meal may vary from the planned menu if the change is noted in writing in the records maintained by the dietary service.
- 6. Ensure that persons who are responsible for therapeutic diets have sufficient knowledge of food values to make appropriate substitutions when necessary.
  - Sec. 21. A psychiatric residential treatment facility shall ensure that:
  - 1. Adequate space for the preparation and service of food is provided;

- 2. Adequate space is maintained to accommodate equipment, personnel and procedures necessary for the proper cleaning and sanitizing of dishes and other utensils; and
  - 3. In providing for the preparation and serving of food, the facility:
- (a) Complies with the standards prescribed in chapter 446 of NRS and chapter 446 of NAC; and
  - (b) Obtains the necessary permits from the Division.
- Sec. 22. 1. A psychiatric residential treatment facility shall maintain an organized dietary service that is staffed by an adequate number of personnel. The dietary service must be integrated with the other departments, units and services within the psychiatric residential treatment facility.
- 2. The psychiatric residential treatment facility shall ensure that the personnel who provide the dietary service are trained in basic techniques of food sanitation.
- Sec. 23. A psychiatric residential treatment facility shall ensure that a resident receives a therapeutic diet when it is determined that he or she has a nutritional problem.
- Sec. 24. 1. A psychiatric residential treatment facility shall store, prepare, distribute and serve food under sanitary conditions.
- 2. A psychiatric residential treatment facility shall maintain on its premises at least a 1-week supply of staple foods and at least a 2-day supply of perishable foods. The supplies must be appropriate to meet the requirements of the menu. All food must be of good quality and procured from sources approved or considered satisfactory by federal, state and local authorities.
- Sec. 25. 1. Except as otherwise provided in this section, an order for a medication or biological for a resident must be in writing and signed by the practitioner, or other appropriate

professional person authorized by state or federal law to order the medication or biological, who is responsible for the care of the resident.

- 2. When a telephone or verbal order is used to order a medication or biological, the order must be:
- (a) Accepted only by a person who is authorized by the policies and procedures of the psychiatric residential treatment facility, which must be consistent with state law, to accept such an order; and
- (b) Signed or initialed by the prescribing practitioner in accordance with the policies and procedures of the psychiatric residential treatment facility.
- 3. An order for a medication or biological must include the name of the medication or biological and the dosage, time or frequency of administration and route of administration of the medication or biological.
- Sec. 26. 1. Errors in administering a drug to a resident, adverse reactions by a resident to a drug and incompatibilities between a drug and a resident must be immediately reported to the attending physician of the resident and, if appropriate, to the committee that oversees the quality improvement program established pursuant to section 12 of this regulation.
- 2. Abuses and losses of controlled substances must be reported, in accordance with all applicable state and federal laws, to the person responsible for the pharmaceutical service and the administrator.
- 3. Information relating to drug interactions, drug therapy, side effects, toxicology, dosage indications for use and routes of administration must be made available to the professional members of the staff of the psychiatric residential treatment facility.

- Sec. 27. 1. Only members of the staff of the psychiatric residential treatment facility who are legally authorized to administer medications may do so.
  - 2. Security of all medications must be maintained in accordance with applicable state law.
- Sec. 28. A psychiatric residential treatment facility shall not discriminate in the admission of, or the provision of services to, a person on the basis of his or her race, color, religion, national origin, ancestry, age, gender, disability, sexual orientation or gender identity or expression.
- Sec. 29. 1. To provide a resident with the appropriate care at the time that the care is needed, the needs of the resident must be assessed by qualified personnel of the psychiatric residential treatment facility throughout the resident's stay with the facility. The assessment must be comprehensive and accurate as related to the condition of the resident.
- 2. Each resident must receive, and the psychiatric residential treatment facility shall provide, individualized care and treatment based on the assessment of the resident that is appropriate to the needs of the resident and the severity of the condition from which the resident is suffering.
- 3. Each resident must be reassessed according to the policy of the psychiatric residential treatment facility:
  - (a) When there is a significant change in the resident's condition;
  - (b) When there is a significant change in the resident's diagnosis; or
  - (c) To determine the resident's response to the care that he or she is receiving.
- Sec. 30. A psychiatric residential treatment facility shall develop and carry out policies and procedures that protect and support the rights of residents in the same manner as set forth for medical facilities and facilities for the dependent in NRS 449.700 to 449.730, inclusive.

- Sec. 31. 1. A psychiatric residential treatment facility shall have written policies concerning the qualifications, responsibilities and conditions of employment for each type of personnel employed by the psychiatric residential treatment facility, including the licensure and certification of each employee when required by law.
- 2. The written policies must provide for the orientation of all employees to the policies and objectives of the psychiatric residential treatment facility.
- 3. The psychiatric residential treatment facility shall have evidence of a current license or certification on file at the psychiatric residential treatment facility for each person employed by the psychiatric residential treatment facility, or under contract with the psychiatric residential treatment facility, who is required to be licensed or certified by law to perform his or her job.
- 4. The psychiatric residential treatment facility shall ensure that the health records of its employees contain documented evidence of surveillance and testing of those employees for tuberculosis in accordance with chapter 441A of NAC.
  - Sec. 32. A psychiatric residential treatment facility shall:
- 1. Maintain a record for each resident evaluated or treated in the psychiatric residential treatment facility.
- 2. Ensure that each record is accurately written, promptly completed, properly filed and retained and accessible. A psychiatric residential treatment facility shall use a system for identification and record maintenance that ensures the integrity of the authentication of the record and protects the security of all entries to the record.
- 3. Ensure that the record of a resident is retained in accordance with the provisions of NRS 629.051.

- 4. Ensure that each record of a resident includes information:
- (a) Demonstrating the justification for the admission of the resident;
- (b) Supporting the diagnosis of the resident; and
- (c) Describing the progress of the resident and his or her response to the medication and services received.
- 5. Ensure all entries to a record of a resident are legible and complete, and authenticated and dated promptly by the person who is responsible for ordering, providing or evaluating the services provided. In authenticating the record, the person shall include his or her name and discipline. Authentication may include the signature or written initials of the person or a computer entry by the person.
  - 6. Ensure all records of a resident document the following information, as appropriate:
  - (a) The diagnosis of the resident at the time of admission;
- (b) The results of all consultative evaluations of the resident and the appropriate findings by clinical and other staff involved in caring for the resident;
  - (c) Documentation of any complications suffered by the resident;
- (d) All orders of practitioners, reports of treatment, records of medication and other information necessary to monitor the condition of the resident;
- (e) A discharge summary that includes a description of the outcome of the stay at the psychiatric residential treatment facility, the disposition of the case and the provisions for follow-up care that have been provided to the resident; and
  - (f) The final diagnosis of the resident.
- 7. Ensure that the record of a resident is completed not later than 30 days after the date on which he or she is discharged from the psychiatric residential treatment facility.

- Sec. 33. 1. During the term of a license to operate a psychiatric residential treatment facility, the licensee shall continuously maintain the psychiatric residential treatment facility in conformance with the provisions of sections 3 to 34, inclusive, of this regulation.
- 2. Each psychiatric residential treatment facility shall comply with the requirements set forth in 42 C.F.R. §§ 441.150 to 441.156, inclusive, and 483.350 to 483.376, inclusive.
- 3. In addition to the requirements of subsections 1 and 2, each psychiatric residential treatment facility shall comply with all applicable:
  - (a) Federal and state laws;
  - (b) Local ordinances, including, without limitation, zoning ordinances; and
  - (c) Environmental, life safety, fire, health and local building codes.
- 4. Any violation of this section may result in the suspension or revocation of the license to operate the psychiatric residential treatment facility.
- Sec. 34. The Division may suspend or revoke a license issued pursuant to sections 3 to 34, inclusive, of this regulation or cancel such a license and issue a provisional license based upon any grounds for such action set forth in NAC 449.002 to 449.99939, inclusive, and sections 3 to 34, inclusive of this regulation, or chapter 449 of NRS.
  - **Sec. 35.** NAC 449.012 is hereby amended to read as follows:
- 449.012 As used in NAC 449.012 to 449.0169, inclusive, *and section 2 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 449.01205 to 449.0127, inclusive, *and section 2 of this regulation* have the meanings ascribed to them in those sections.
  - **Sec. 36.** NAC 449.016 is hereby amended to read as follows:

449.016 1. Except as otherwise provided in NAC 449.0168, an applicant for a license to operate any of the following facilities must pay to the Division the following nonrefundable fees:

	Fee per
Fee pe	er bed in the
facilit	y facility
(a) A skilled nursing facility\$2,25	2 \$108
(b) A hospital, other than a rural hospital	6 110
(c) A rural hospital 9,53	0 62
(d) An intermediate care facility for persons with an intellectual	
disability or persons with a developmental disability	8 280
(e) An intermediate care facility, other than an intermediate care	
facility for persons with an intellectual disability or persons with a	
developmental disability	6 72
(f) Except as otherwise provided in subsection 3, a residential	
facility for groups	6 200
(g) A facility for the treatment of abuse of alcohol or drugs	2 190
(h) A facility for hospice care	8 352
(i) A home for individual residential care	4 184
(j) A facility for modified medical detoxification	0 494
(k) A community triage center	2 136
(l) A facility for the treatment of irreversible renal disease	8 120

	Fee per	
Fee per	bed in the	
facility	facility	
(m) A halfway house for recovering alcohol and drug abusers 2,800	368	
(n) A facility for transitional living for released offenders	146	
(o) A psychiatric residential treatment facility	62	
2. An applicant for the renewal of such a license must pay to the Division the following		
nonrefundable fees:		
	Fee per	
Fee per	bed in the	
facility	facility	
(a) A skilled nursing facility\$1,126	\$54	
(b) A hospital, other than a rural hospital	55	
(c) A rural hospital	31	
(d) An intermediate care facility for persons with an intellectual		
disability or persons with a developmental disability	140	
(e) An intermediate care facility, other than an intermediate care		
facility for persons with an intellectual disability or persons with a		
developmental disability	46	
(f) Except as otherwise provided in subsection 3, a residential		

100

facility for groups 1,193

(g) A facility for the treatment of abuse of alcohol or drugs	1 95
(h) A facility for hospice care	176
(i) A home for individual residential care	92
(j) A facility for modified medical detoxification	247
(k) A community triage center	1 68
(l) A facility for the treatment of irreversible renal disease	9 60
(m) A halfway house for recovering alcohol and drug abusers 1,400	184
(n) A facility for transitional living for released offenders	5 73
(o) A psychiatric residential treatment facility 4,765	5 31

- 3. An applicant for a license or for the renewal of a license for a residential facility for groups shall pay a fee of \$35 for each bed in the facility if the facility is paid less than \$1,000 per month for services provided to each bed in the facility.
- 4. An application for a license is valid for 1 year after the date on which the application is submitted. If an applicant does not meet the requirements for licensure imposed by chapter 449 of NRS or the regulations adopted pursuant thereto within 1 year after the date on which he or she submits his or her application, the applicant must submit a new application and pay the required fee to be considered for licensure.
- 5. Pursuant to NRS 449.050, if an application for a license to operate a facility for transitional living for released offenders or the renewal of such a license is denied, any amount of a fee paid pursuant to paragraph (n) of subsection 1 or paragraph (n) of subsection 2 that exceeds the expenses and costs incurred by the Division must be refunded to the applicant.

# DIVISION OF PUBLIC AND BEHAVIORAL HEALTH June 20, 2014

## LCB File # R046-14

# Information Statement per NRS 233B.066

(a) A clear and concise explanation of the need for the adopted regulation.

These regulations establish minimal licensing standards for Psychiatric Residential Treatment Facilities (PRTF) to ensure the safety of residents receiving services in PRTFs. These regulations also propose licensing fees for PRTFs. The proposed fees will cover the costs of implementation. The implementation of these regulations presents an opportunity to provide for a need within Nevada for adolescent psychiatric patients that are currently being transferred out of state to receive care and services. As of December 2013, 184 children were sent to facilities in other states to receive services. Although some adolescent psychiatric services are provided in Nevada, the facilities providing those services are licensed as psychiatric hospitals; because there's currently no licensure category nor regulations for psychiatric residential treatment facilities.

(b) A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

Public comment was solicited via the Notice of Public Hearing posted at Division locations, State Library and Archives, county libraries and the notice was mailed to affected stakeholders. The following is a summary of the testimony provided during the public hearing on June 20, 2014:

During the public hearing held before the State Board of Health (SBOH), staff presented LCB file #R046-14RP1 and explained the proposed errata. An opportunity was allowed for public comment and only one individual commented as follows: a representative from a licensed psychiatric hospital asked when the regulations would become effective and staff explained that after adoption, the regulations would have a hearing before the Legislative Commission, prior to implementation. No one testified in opposition to the proposed regulations.

The Board of Health adopted LCB File #R046-14RP1 along with the errata as presented.

A summary of the hearing for amendment of Nevada Administrative Code (NAC) 449, "Medical and Other Related Facilities" LCB File #R046-14RP1 and errata, can be obtained by contacting the State Board of Health, through the Division of Public and Behavioral Health, 4150Technology Way, Suite 300, Carson City, Nevada 89706, phone: (775) 684-4200, fax: (775) 684-4211.

- (c) The number of persons who:
  - (1) Attended the hearing;
  - (2) Testified at the hearing; and

- (3) Submitted to the agency written statements.
- 17 people attended the hearing in Las Vegas, 11 people attended the hearing in Carson City.
- Paul Shubert, Health Facilities Inspection Manager with the Division of Public and Behavioral Health presented the proposed regulations and errata. During public comment, Chris Jacobson, a representative of a licensed psychiatric hospital asked the question described in (b) above. No one testified in opposition.
- No one provided written statements at the public hearing.
- (d) For each person identified in subparagraphs (2) and (3) of item (c), the following information if provided to the agency conducting the hearing:

Paul Shubert, Health Facilities Inspection Manager 4220 S. Maryland Pkwy, Bldg. D, Ste. 810 Las Vegas, NV 89119 702-486-6515 x228 pshubert@health.nv.gov Bureau of Health Care Quality and Compliance

Chris Jacobson Monte Vista Hospital 702-251-1257

(e) A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Small business impact questionnaires and workshop notices that included information on how to obtain a copy of the proposed regulations and errata were sent to all licensed psychiatric hospitals, via U.S. postal service and/or list-serve for those facilities signed on to the Division's list-serve account. The workshop notice and draft regulations were also posted on the Division's website and distributed through the Division's List Serv and posted in accordance with open meeting law. The Division provided several opportunities for impacted businesses to offer input and comments regarding the proposed regulations. The Division met with a group of psychiatric hospital representatives on 3/25/14 to discuss the effects of these regulations on the facilities currently providing services to adolescent psychiatric patients. A public workshop was conducted via video-conference on 4/23/14 in Las Vegas, Carson City and Elko. During the public workshop, there was general support for the regulations as written and additional discussion regarding sufficiency of the regulations.

Since there are no currently licensed nor operating PRTFs in Nevada, the agency solicited comments from similar facilities to determine whether these regulations would have any impact. For the most part, these facilities did not respond. So, in addition the agency analyzed information about how other states regulate PRTF facilities. The agency doesn't foresee these regulations will have a detrimental impact on small businesses; in fact the agency anticipates these regulations will provide a way for small businesses to enter into this market.

Out of 17 small business impact questionnaires distributed, only 3 responses were received. However none of the 3 respondents provided any data regarding the effect these regulations would have on small businesses. In fact 2 of the respondents replied only to the first question, identifying how many employees they have and the third respondent asked whether a response was mandatory.

The small business impact summary regarding the proposed language in LCB File #R046-14RP1 and errata, can be obtained by contacting the Division of Public and Behavioral Health, Bureau of Health Care Quality and Compliance, 727 Fairview Drive, Suite E, Carson City, NV 89701, phone: (775) 684-1030, fax: (775) 684-1073.

- (f) The regulation was adopted with changes from the initial proposal. After the public workshop and prior to the public hearing, a comment was received regarding accreditation being required prior to licensure. Based on this comment, an errata was established.
  - Errata (section 8 of the proposed regulations); is necessary to ensure applicants have an opportunity to become licensed and operational prior to obtaining accreditation, yet the changes will maintain the original intent to ensure facilities obtain/maintain accreditation in order to continue licensure
- (g) The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include:
  - (1) Both adverse and beneficial effects; and
  - (2) Both immediate and long-term effects.
  - Beneficial effects: These regulations have been designed with minimal standards to ensure facilities are not over-regulated, the regulations focus mainly on health and safety concerns of the residents, while a dollar amount cannot be assigned, economic benefit is anticipated
  - Adverse effects: The fees established by these regulations were determined based on the anticipated cost of implementation, however, the fees may require adjustment when actual costs are calculated
  - Immediate effects: Applicants will be able to establish and operate PRTF facilities and provide services to adolescent psychiatric patients in Nevada and receive reimbursement for the same
  - Long term effects: There's an anticipated beneficial economic effect with regard to Medicaid, based on the cost of providing in-state, rather than out-of-state services
- (h) The estimated cost to the agency for enforcement of the proposed regulation.

The estimated cost to the agency for enforcement of the proposed regulations is negligible. The agency has well established mechanisms for implementation and enforcement of new regulations and inspection of PRTF facilities will be part of the routine periodic inspections and workload.

(i) A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, name the regulatory federal agency.

The proposed regulations adopt certain sections of federal code regarding PRTF standards required for certification. These regulations are found at 42 C.F.R. §§ 441.150 to 441.156, inclusive, and §§483.350 to 483.376, inclusive. Duplication of these regulations is necessary to ensure facilities meet these standards for participation in the Centers for Medicare and Medicaid Services (CMS) certification/reimbursement program. However, prior to certification all PRTFs will need to obtain a state license so state licensure regulations are necessary.

(j) If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The proposed regulations are not more stringent than the federal regulations, however they are more detailed, especially with regard to patient care and safety.

(k) If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

There is no way to accurately predict the number of new applicants or beds to be made available within these types of facilities. However, looking at the need for those patients already being placed out-of-state (184) and anticipating at least 2 applicants splitting this number of beds, the fees would be calculated as follows:

Facility A initial licensure fee: \$15, 234 (total initial licensure fees) Facility B initial licensure fee: \$15, 234 (total initial licensure fees)

Grand Total Fees To Agency: \$30,486

Fee calculations per facility: \$9530 (facility application fee) + \$5740 (bed fees) {92 (beds) x \$62 (per bed fee)} = \$15,234 total per facility

Fees will be used to process applications, conduct inspections and conduct complaint investigations.