

## Chapter 661

**(Senate Bill 108)**

AN ACT concerning

**Regulation of Health Care Programs, Medical Laboratories, Tissue Banks, and Health Care Facilities – Revisions**

FOR the purpose of repealing certain requirements that certain fees regarding the licensure and permitting of behavioral health programs and facilities, medical laboratories, tissue banks, and health care facilities be set by the Secretary of Health; repealing certain requirements that certain applicants for certain licenses and permits and certain medical laboratories pay certain fees to the Maryland Department of Health; repealing certain provisions of law providing for the term of certain licenses and permits for certain behavioral health care programs, medical laboratories, tissue banks, and health care facilities; repealing certain provisions of law regarding the renewal of certain licenses and permits for certain behavioral health care programs and facilities, medical laboratories, tissue banks, and health care facilities; repealing the requirement that certain regulations adopted by the Department include procedures for the annual recertification of certain medical laboratories; altering the frequency at which a licensed related institution that provides long-term care and programs for patients with Alzheimer's disease and related disorders is required to have a certain in-service education program; requiring a certain person acquiring a nursing home to provide the Department with certain written notice at the same time as notice required under a certain provision of law is filed with the Maryland Health Care Commission; requiring a nursing home to ~~immediately~~ notify the Department when there are certain changes in ownership or management information within a certain number of days after the effective date of the change; authorizing the Secretary to revoke a nursing home license based on the review of certain information; altering the frequency at which a licensed nursing home is required to submit a quality assurance plan to the Department; providing that a certain probationary license granted to certain assisted living programs is valid for a period of time determined by the Secretary in accordance with certain regulations, rather than for a certain number of years; repealing certain obsolete provisions of law; making conforming changes; and generally relating to the regulation of health care programs, tissue banks, medical laboratories, and health care facilities.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 7.5-205(d), 17-202(d), 17-214(f), 17-2A-02(a), 17-506, 19-319.1, 19-320(a), 19-3B-04(a), 19-3B-05, 19-404(b), 19-4A-03, 19-4B-04, 19-907(a), 19-1203, 19-1401.1, 19-1401.2, 19-1410(a) and (b), 19-1804.1(b) and (d), 19-1805(b), 19-2001, 19-2002(d)(4), and 20-109(c)

Annotated Code of Maryland

(2015 Replacement Volume and 2017 Supplement)

BY repealing

Article – Health – General

Section 17–204, 17–207(c), 17–209, 17–2A–06(c), 17–2A–08, 17–304, 17–307(c),  
17–310, 17–508, 19–320(c), 19–323, 19–907(c), and 19–910

Annotated Code of Maryland

(2015 Replacement Volume and 2017 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Health – General**

7.5–205.

(d) The Secretary shall adopt regulations to carry out the provisions of this title and Titles 8 and 10 of this article, including provisions [setting reasonable fees] for the issuance [and renewal] of licenses.

17–202.

(d) (1) To assure compliance with standards adopted under subsection (c) of this section, the Secretary shall adopt regulations to establish and conduct a cytology proficiency testing program for all cytology personnel that examine gynecological cytology specimens.

(2) All cytology proficiency tests under the State cytology proficiency testing program shall be conducted by an employee of the Maryland Department of Health who shall:

- (i) Hand carry all testing materials to the testing site; and
- (ii) Directly supervise the on–site proficiency testing.

[(3) A medical laboratory shall pay the Department a fee established by the Secretary to cover the cost of the laboratory’s State cytology proficiency testing program under this section.]

[(4) (3) The Secretary shall adopt regulations for the cytology proficiency testing program that:

- (i) Define satisfactory cytology proficiency testing performance; and
- (ii) Set standards and requirements that a cytology proficiency testing program must meet before it can be designated an approved program.

**[(5)] (4)** The Secretary may accept the testing results of an approved cytology proficiency testing program as meeting the cytology proficiency testing requirement of this subtitle.

[17–204.

The Secretary:

- (1) Shall set licensing fees in accordance with § 2–104 of this article; and
- (2) May set a fee for the cytology proficiency testing program.]

17–207.

**[(c)** The applicant shall pay to the Department the application fee set by the Secretary in accordance with § 2–104 of this article.]

[17–209.

(a) A license expires on the date set by the Secretary, unless the license is renewed as provided in this section.

(b) Before the license expires, the licensee may renew its license for an additional term, if the licensee:

(1) Otherwise is entitled to the license;

(2) Pays to the Department the renewal fee set by the Secretary and any outstanding licensing or proficiency testing fees; and

(3) Submits to the Secretary:

(i) A renewal application on the form that the Secretary requires; and

(ii) Satisfactory evidence of compliance with all standards and requirements set under this subtitle and in regulations adopted pursuant to this subtitle.

(c) The Secretary shall renew the license of each licensee who meets the requirements of this section.]

17–214.

(f) (1) The Maryland Department of Health:

(i) Shall adopt regulations governing the certification of laboratories that conduct job-related alcohol or controlled dangerous substance testing; and

(ii) May adopt regulations governing the oversight of preliminary screening procedures administered by employers.

(2) In addition to any other laboratory standards, the regulations shall:

(i) Require that the laboratory comply with the guidelines for laboratory accreditation, if any, as set forth by the College of American Pathologists, the Centers for Medicare and Medicaid Services, or any other government agency or program designated to certify or approve a laboratory that is acceptable to the Secretary;

(ii) Require that a laboratory performing confirmation tests for controlled dangerous substances or alcohol be inspected and accredited in forensic drug analysis by the College of American Pathologists, the Centers for Medicare and Medicaid Services, or any other government agency or program designated to inspect and accredit a laboratory that is acceptable to the Secretary;

(iii) Require that, if the laboratory performs job-related drug testing, the laboratory be a participant in a program of proficiency testing of drug screening conducted by an organization acceptable to the Secretary;

(iv) Require that the laboratory comply with standards regarding cutoff levels for positive testing that are established by the United States Department of Health and Human Services or established by the Secretary as mandatory guidelines for workplace drug testing programs; and

(v) Include procedures for [annual recertification and] inspection.

17-2A-02.

(a) (1) The Secretary shall adopt regulations that set standards and requirements for forensic laboratories.

(2) The regulations shall contain the standards and requirements that the Secretary considers necessary to assure the citizens of the State that forensic laboratories provide safe, reliable, and accurate services.

(3) The regulations shall:

(i) Require the director of a forensic laboratory to establish and administer an ongoing quality assurance program using standards acceptable to the Secretary;

- (ii) Require the director of a forensic laboratory to retain all case files for at least 10 years;
- (iii) Establish qualifications for the personnel of forensic laboratories;
- (iv) Establish procedures for verifying the background and education of the personnel of forensic laboratories; **AND**
- (v) [Require the Secretary to charge fees that may not exceed the actual direct and indirect costs to the Department to carry out the provisions of this subtitle; and
- (vi)] Establish any additional standards that the Secretary considers necessary to assure that forensic laboratories provide accurate and reliable services.

17-2A-06.

[(c) The applicant shall pay to the Department the application fee set by the Secretary in accordance with § 2-104 of this article.]

[17-2A-08.

(a) A license expires on the date set by the Secretary unless the license is renewed as provided in this section.

(b) Before the license expires, the licensee may renew its license for an additional term, if the licensee:

(1) Pays to the Department the renewal fee set by the Secretary and any outstanding licensing or proficiency testing fees;

(2) Submits to the Secretary a renewal application on the form that the Secretary requires; and

(3) Is in compliance with all standards and requirements of this subtitle.

(c) The Secretary shall renew the license of each licensee that meets the requirements of this section.]

[17-304.

The Secretary shall set reasonable fees for the issuance and renewal of permits.]

17-307.

[(c) The applicant shall pay to the Department the application fee set by the Secretary.]

[17-310.

(a) A permit expires on the first anniversary of its effective date, unless the permit is renewed for a 2-year term as provided in this section.

(b) At least 1 month before the permit expires, the Department shall send to the permit holder, by first-class mail to the last known address of the holder, a renewal notice that states:

(1) The date on which the current permit expires;

(2) The date by which the renewal application must be received by the Secretary for the renewal to be issued and mailed before the permit expires; and

(3) The amount of the renewal fee.

(c) Before the permit expires, the permit holder periodically may renew it for an additional 2-year term, if the permit holder:

(1) Otherwise is entitled to the permit;

(2) Pays to the Department the renewal fee set by the Secretary; and

(3) Submits to the Secretary:

(i) A renewal application on the form that the Secretary requires; and

(ii) Satisfactory evidence of compliance with any standards and qualifications set under this subtitle for permit renewal.

(d) The Secretary shall renew the permit of each permit holder who meets the requirements of this section.]

17-506.

[(a) An applicant for a permit shall submit an application to the Secretary on the form that the Secretary requires.

[(b) (1) The applicant shall pay to the Department the application fee set by the Secretary in accordance with § 2-104 of this article.

(2) The Secretary shall waive all permit fees for local and county health departments.

(c) The Secretary shall waive all renewal fees for local and county health departments.]

[17-508.

(a) A permit expires on the first anniversary of its effective date, unless the permit is renewed for a 1-year term as provided in this section.

(b) At least 1 month before the permit expires, the Department shall send to the permit holder, by first-class mail to the last known address of the holder, a renewal notice that states:

(1) The date on which the current permit expires;

(2) The date by which the renewal application must be received by the Secretary for the renewal to be issued and mailed before the permit expires; and

(3) The amount of the renewal fee.

(c) The Secretary shall waive all renewal fees for local and county health departments.

(d) Before the permit expires, the permit holder periodically may renew it for an additional 1-year term, if the permit holder:

(1) Otherwise is entitled to the permit;

(2) Pays to the Department the renewal fee set by the Secretary; and

(3) Submits to the Secretary:

(i) A renewal application on the form that the Secretary requires;  
and

(ii) Satisfactory evidence of compliance with any standards and qualifications set under this subtitle for permit renewal.

(e) The Secretary shall renew the permit of each permit holder who meets the requirements of this section.]

19-319.1.

As a prerequisite to the licensing [and renewal of licensing] of related institutions **AND EACH YEAR AFTER THE LICENSE IS ISSUED**, the Department shall require each related institution that provides long-term care and programs for patients with Alzheimer's disease and related disorders to have an in-service education program that includes instruction on dementia and the techniques necessary to manage dementia patients with regard to their physical, intellectual, and behavioral manifestations.

19-320.

(a) An applicant for a license shall[:

(1) Submit] **SUBMIT** an application to the Secretary[; and

(2) Pay to the Secretary the application fee set by the Secretary in regulations].

[(c) An application fee may not be refunded.]

[19-323.

(a) (1) Except as provided under paragraph (2) of this subsection, a license for a related institution, an accredited hospital, or a nonaccredited hospital expires on the first anniversary of its effective date, unless the license is renewed for a 1-year term as provided in this section.

(2) A license for a nursing facility and an assisted living program as defined under Subtitle 18 of this title shall be for a 2-year term.

(b) Before the license expires, the licensee periodically may renew it for an additional term, if the licensee:

(1) Otherwise is entitled to the license;

(2) Pays to the Secretary the renewal fee set by the Secretary in regulations; and

(3) Submits to the Secretary:

(i) A renewal application on the form that the Secretary requires; and

(ii) Satisfactory evidence of compliance with any requirements set under this subtitle for license renewal.

(c) The Secretary shall renew the license of each licensee who meets the requirements of this section.]

19-3B-04.

(a) An applicant for a license shall[:

(1) Submit] **SUBMIT** an application to the Secretary[; and

(2) Pay to the Secretary the application fee set by the Secretary through regulation].

19-3B-05.

[(a) A license expires on the third anniversary of its effective date unless the license is renewed for a 3-year term as provided in this section.

(b) Before the license expires, a license may be renewed for an additional 3-year term, if the applicant:

(1) Otherwise is entitled to the license;

(2) Pays to the Secretary the renewal fee set by the Secretary through regulation; and

(3) Submits to the Secretary:

(i) A renewal application on the form that the Secretary requires; and

(ii) Satisfactory evidence of compliance with any requirement under this subtitle for license renewal.

(c) The Secretary shall renew the license if the applicant meets the requirements of this section.

(d) (1) The Secretary shall set reasonable application and renewal fees not to exceed the administrative costs of the licensing program.

(2) For purposes of this subsection, administrative costs under paragraph (1) of this subsection do not include any costs of administering the Medicare certification program.

(e)] A license does not entitle the licensee to an exemption from other provisions of law relating to:

(1) The review and approval of hospital rates and charges by the Health Services Cost Review Commission; or

(2) The review and approval of new services or facilities by the Maryland Health Care Commission.

19–404.

(b) The rules and regulations shall provide for the licensing of home health agencies [and annual license renewal,] and shall establish standards that require as a minimum, that all home health agencies:

(1) Within 10 days of acceptance of a patient for skilled care, make and record all reasonable efforts to contact a physician to obtain the signed order required under item (2) of this subsection;

(2) That accept patients for skilled care do so only on the signed order of a physician obtained within 28 days after acceptance;

(3) Adopt procedures for the administration of drugs and biologicals;

(4) Maintain clinical records on all patients accepted for skilled care;

(5) Establish patient care policies and personnel policies;

(6) Have services available at least 8 hours a day, 5 days a week, and available on an emergency basis 24 hours a day, 7 days a week;

(7) Make service available to an individual in need within 24 hours of a referral when stipulated by a physician's order;

(8) Have a designated supervisor of patient care who is a full-time employee of the agency and is available at all times during operating hours and additionally as needed; and

(9) Have as the administrator of the agency a person who has at least 1 year of supervisory experience in hospital management, home health management, or public health program management and who is:

(i) A licensed physician;

(ii) A registered nurse; or

(iii) A college graduate with a bachelor's degree in a health-related field.

19-4A-03.

(a) The Department shall adopt regulations that set standards for the care, treatment, health, safety, welfare, and comfort of individuals who receive home health care services through a residential service agency.

(b) The regulations shall provide for the licensing of residential service agencies [and the renewal of licenses for a 3-year term].

(c) [The regulations shall require the Secretary to charge fees in a manner which will produce funds sufficient to at least cover the actual direct or indirect costs of the inspection and licensure of residential service agencies under this subtitle.

(d)] The regulations shall include provisions that:

(1) Provide for the establishment of residential service agencies;

(2) Establish qualifications for licensure;

(3) Set minimum standards for individuals who provide home health care services through a residential service agency; and

(4) Require the residential service agency to screen and verify the character references of all home health care providers that are employed by the residential service agency.

19-4B-04.

(a) (1) The Department shall adopt regulations to implement the requirements of this subtitle.

(2) The regulations may not preclude a nursing referral service agency from operating with independent contractors.

(b) The Department shall issue a [3-year] license to a nursing referral service agency after the nursing referral service agency[:

(1) Completes] **COMPLETES** an application for licensure[; and

(2) Pays a licensing fee of \$1,000 to the Department.

(c) A license shall expire on the third anniversary of its effective date unless:

(1) The Department suspends or revokes the license; or

(2) The license is renewed].

**[(d)] (C)** The Department may suspend or revoke a license issued under this section if the nursing referral service agency is operating in violation of the requirements of this subtitle.

19-907.

- (a) An applicant for a license shall[:
- (1) Submit] **SUBMIT** an application to the Secretary[; and
  - (2) Pay to the Secretary an application fee established by the Secretary].

**[(c) An application fee may not be refunded.]**

[19-910.

(a) A license expires on the third anniversary of its effective date, unless the license is renewed for a 3-year term as provided in this section.

(b) Before the license expires, the licensee periodically may renew it for an additional 3-year term, if the licensee:

- (1) Otherwise is entitled to the license;
- (2) Pays to the Secretary a renewal fee established by the Secretary; and
- (3) Submits to the Secretary:

(i) A renewal application on the form that the Secretary requires;  
and

(ii) Satisfactory evidence of compliance with any requirements set under this subtitle for license renewal.

(c) The Secretary shall renew the license of each licensee who meets the requirements of this section.]

19-1203.

(a) This section does not apply to a special rehabilitation hospital that is licensed under Subtitle 3 of this title.

(b) Any person that provides or holds himself out as providing comprehensive physical rehabilitation services on an out-patient basis shall obtain a comprehensive

rehabilitation license before the person may provide comprehensive physical rehabilitation services in the State.

(c) The Department shall issue a comprehensive rehabilitation license to any person for whom a comprehensive rehabilitation license is required if the person[:

(1) Submits] **SUBMITS** an application on the form established and provided for the Secretary[; and

(2) Pays to the Secretary the application fee of \$10].

(d) [A comprehensive rehabilitation license expires on the first anniversary of its effective date, unless the license is renewed for a 1-year term.

(e)] While it is effective, a comprehensive rehabilitation license authorizes the licensed person to provide comprehensive physical rehabilitation services.

[(f)] **(E)** A person may not provide or hold himself out as providing comprehensive physical rehabilitation services on an out-patient basis unless the person has been issued a comprehensive rehabilitation license under this section.

19-1401.1.

(a) **(1)** In addition to the requirements for licensure of a related institution as provided in this title, an applicant for [initial] licensure [or relicensure] of a nursing home shall include in the application the identity of:

[(1)] **(I)** Any person with an ownership interest in the nursing home; and

[(2)] **(II)** Any management company, landlord, or other business entity that will operate or contract with the applicant to manage the nursing home.

~~**(2) A NURSING HOME SHALL NOTIFY THE DEPARTMENT IMMEDIATELY WHEN THERE ARE CHANGES TO THE INFORMATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**~~

**(2) (I) THE PERSON ACQUIRING A NURSING HOME SHALL PROVIDE THE DEPARTMENT WITH WRITTEN NOTICE OF THE ACQUISITION OR CHANGE IN OPERATOR AT THE SAME TIME AS THE NOTICE REQUIRED UNDER § 19-120(K)(6)(II) OF THIS TITLE IS FILED WITH THE MARYLAND HEALTH CARE COMMISSION.**

**(II) FOR OTHER CHANGES TO THE INFORMATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE NURSING HOME SHALL NOTIFY THE DEPARTMENT WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE CHANGE.**

(b) An applicant for [initial] licensure shall submit to the Secretary or the Secretary's designee evidence:

(1) That affirmatively demonstrates the ability of the applicant to comply with minimum standards of:

- (i) Medical care;
- (ii) Nursing care;
- (iii) Financial condition; and
- (iv) Other applicable State or federal laws and regulations; and

(2) Regarding the regulatory compliance history and financial condition of any health care facility owned or operated by the applicant in other jurisdictions.

19-1401.2.

On review of the information required under § 19-1401.1 of this subtitle and any other information that is relevant to the ability of the applicant to operate a nursing home, the Secretary may:

- (1) Approve an application for a license [or license renewal];
- (2) Deny an application for a license [or license renewal]; [or]
- (3) Approve an application for A license [or license renewal] subject to conditions; **OR**
- (4) **REVOKE A LICENSE.**

19-1410.

(a) [By January 1, 2001, a] **EACH** nursing home shall develop and implement a quality assurance program.

(b) (1) [By September 1, 2000, each] **EACH** nursing home shall designate a qualified individual to coordinate and manage the nursing home's quality assurance program.

(2) Each nursing home shall establish a quality assurance committee and shall include at least the following members:

- (i) The nursing home administrator;

- (ii) The director of nursing;
  - (iii) The medical director;
  - (iv) A social worker;
  - (v) A licensed dietitian; and
  - (vi) A geriatric nursing assistant.
- (3) The quality assurance committee shall:
- (i) Meet at least monthly;
  - (ii) Maintain records of all quality assurance activities;
  - (iii) Keep records of committee meetings that shall be available to the Department during any on-site visit; and
  - (iv) Prepare monthly reports that shall be presented to the ombudsman, the resident's council, and the family council.
- (4) The quality assurance committee for a nursing home shall review and approve annually the quality assurance plan for the nursing home.
- (5) Each nursing home shall establish a written quality assurance plan that:
- (i) Includes procedures for concurrent review for all residents;
  - (ii) Provides criteria that routinely monitors nursing care including medication administration, prevention of decubitus ulcers, dehydration and malnutrition, nutritional status and weight loss or gain, accidents and injuries, unexpected deaths, changes in mental or psychological status, and any other data necessary to monitor quality of care;
  - (iii) Includes methods to identify and correct problems; and
  - (iv) Is readily available to nursing home residents and their families, guardians, or surrogate decision makers.
- (6) The quality assurance plan shall be submitted to the Department [by January 1, 2001, and at the time of license renewal] **EVERY 2 YEARS**.

(7) The nursing home administrator shall take appropriate remedial actions based on the recommendations of the nursing home's quality assurance committee.

(8) The Secretary may not require the quality assurance committee to disclose the records and the reports prepared by the committee except as necessary to assure compliance with the requirements of this section.

(9) If the Department determines that a nursing home is not implementing its quality assurance program effectively and that quality assurance activities are inadequate, the Department may impose appropriate sanctions on the nursing home to improve quality assurance including mandated employment of specified quality assurance personnel.

19-1804.1.

(b) (1) A person shall submit an application for licensure to conduct, operate, or maintain an assisted living program to the Secretary on a form developed by the Secretary.

(2) (i) The Secretary shall develop the application for licensure required under paragraph (1) of this subsection.

(ii) The application shall include the name and address of each officer, manager, alternate manager, and delegating nurse or case manager of the assisted living program.

[(3) An applicant for licensure shall submit the fee established in regulation under § 19-1805(b)(2)(ii) of this subtitle.]

[(4) (3) In addition to the application, an applicant for initial licensure shall submit to the Secretary:

(i) Information concerning any license or certification held by the applicant under the Health Occupations Article or under this article, including the prior or current operation by the applicant of a health care facility, residential facility, or similar health care program;

(ii) Information demonstrating the financial and administrative ability of the applicant to operate an assisted living program in compliance with this subtitle;

(iii) The policies and procedures to be implemented by the assisted living program;

(iv) Identification of the personnel and relief personnel to be employed by the assisted living program; and

(v) Any other information that is relevant to the ability of the applicant to care for the residents of the assisted living program.

(d) [(1) Except as provided in paragraph (2) of this subsection, an assisted living program license is valid for 2 years.

(2) The Secretary may issue [an initial] A probationary license that is valid for [less than 2 years] **A PERIOD OF TIME DETERMINED BY THE SECRETARY IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE SECRETARY.**

19–1805.

(b) (1) The Department, in consultation with representatives of the affected industry and advocates for residents of the facilities and with the approval of the Department of Aging and the Department of Human Services, shall adopt regulations to implement this subtitle.

(2) The regulations adopted under paragraph (1) of this subsection shall:

(i) Provide for the licensing of assisted living programs [and the renewal of licenses];

[(ii) Establish the application fee to be paid to the Secretary by an applicant for an assisted living program license;]

[(iii) **(II)** Require the Department, during a survey or other inspection of an assisted living program, to review the number of waivers granted to the program under subsection (a)(3) of this section and determine whether a change in the program's licensure status is warranted; and

[(iv) **(III)** Require an assisted living program facility to post in a conspicuous place visible to actual and potential residents of the facility and other interested parties:

1. A. Its statement of deficiencies for the most recent survey;

B. Any subsequent complaint investigations conducted by federal, State, or local surveyors; and

C. Any plans of correction in effect with respect to the survey or complaint investigation; or

2. A notice of the location, within the facility, of the items listed in item 1 of this item.

19–2001.

(a) (1) In this subtitle the following words have the meanings indicated.

(2) “Client facility” means a health care facility that contracts with a health care staff agency for the referral of health care practitioners.

(3) “Health care facility” means a hospital or related institution as defined in § 19–301 of this title.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, “health care practitioner” means any individual licensed or certified under the Health Occupations Article who:

1. Is a licensed practical nurse, registered nurse, or certified nursing assistant; or

2. Practices in an allied health care field, as defined by the Office in regulation.

(ii) “Health care practitioner” does not include:

1. An acupuncturist;

2. A dentist;

3. A nurse anesthetist;

4. A nurse midwife;

5. A nurse practitioner;

6. A pharmacist;

7. A physician; or

8. A podiatrist.

(5) (i) “Health care staff agency” means any person, firm, corporation, partnership, or other business entity engaged in the business of referring health care practitioners as employees or independent contractors to render temporary health care services at a health care facility in the State.

(ii) “Health care staff agency” does not include:

1. A health care staff agency operated by a health care facility or its affiliates solely for the purpose of procuring, furnishing, or referring temporary or permanent health care personnel for employment at that health care facility or its affiliates;

2. A home health agency regulated under Subtitle 4 of this title; or

3. Any health care practitioners procuring, furnishing, or referring their own services to a health care facility without the direct or indirect assistance of a health care staff agency.

(6) “Initially providing or referring” means the first time a health care staff agency provides or refers a particular health care practitioner to a health care facility.

(7) “Office” means the Office of Health Care Quality in the Department.

(8) “Responsible party” means the individual at a health care staff agency who controls the day to day operation of the health care staff agency.

(b) (1) A health care staff agency shall be licensed by the Office before referring health care practitioners to a health care facility to render temporary health care services at a health care facility in this State.

(2) All health care staff agencies shall submit to the Office:

(i) The health care staff agency’s:

1. Business name;
2. Business address;
3. Business telephone number; and
4. Responsible party; and

(ii) Any other information the Office requires by regulation to ensure compliance with the provisions of this subtitle.

[(c) (1) A health care staff agency license expires on the 28th day of the month in which the agency was originally licensed unless the license is renewed for a 1-year term as provided in this section.

(2) At least 1 month before the license expires, the Office shall send to the health care staff agency, by first-class mail to the last known address of the health care staff agency, a renewal notice that states:

- (i) The date on which the current license expires;
- (ii) The date by which the renewal application must be received by the Office for the renewal to be issued and mailed before the license expires; and
- (iii) The amount of the renewal fee.

(3) Before a license expires, the health care staff agency periodically may renew it for an additional term, if the health care staff agency:

- (i) Otherwise is entitled to be licensed; and
- (ii) Pays to the Office the renewal fee set by the Office.

(d) If a health care staff agency fails to renew, the health care staff agency must immediately stop referring health care practitioners to health care facilities.]

**[(e)] (C)** (1) A health care staff agency shall notify the Office of any change in ownership, agency name, or address within 30 days of the change.

(2) Notwithstanding the provisions of subsection **[(i)(1)] (G)(1)** of this section, if a health care staff agency fails to notify the Office within the time required under this subsection, the Office may impose a fine of \$100.

**[(f)] (D)** (1) Before initially providing or referring a health care practitioner to health care facilities to render temporary health care services, the health care staff agency shall verify the licensure or certification status of the health care practitioner.

(2) At the time a health care practitioner who is being referred to health care facilities by a health care staff agency must renew the health care practitioner's license or certificate, the health care staff agency shall:

- (i) Submit the name and license or certificate number of the health care practitioner to the Office; and
- (ii) Verify the licensure or certification status of the health care practitioner.

**[(g)] (E)** A health care staff agency may not knowingly provide or refer an individual who is not licensed or certified under the Health Occupations Article to a health care facility to render health care services.

**[(h)] (F)** (1) Except as provided in paragraph (2) of this subsection:

(i) If a health care staff agency knows of an action or condition performed by a health care practitioner provided or referred by that health care staff agency that might be grounds for action relating to a license or certificate issued under the Health Occupations Article, the health care staff agency shall report the action or condition to the appropriate health occupation board; and

(ii) An individual shall have immunity from liability described under § 5–709 of the Courts and Judicial Proceedings Article for making a report as required under this paragraph.

(2) A health care staff agency is not required under this subsection to make any report that would be in violation of any federal or State law, rule, or regulation concerning the confidentiality of alcohol and drug abuse patient records.

**[(i)] (G)** (1) Subject to the provisions of Title 10, Subtitle 2 of the State Government Article, the Office may impose a penalty for a violation of any provision of this section:

(i) For a first offense, up to \$2,500 per violation or up to \$2,500 per day until the health care staff agency complies with the requirements of this subtitle;

(ii) For a second offense, up to \$5,000 per violation or up to \$5,000 per day until the health care staff agency complies with the requirements of this subtitle; and

(iii) For a third or subsequent offense, up to \$10,000 per violation or up to \$10,000 per day until the health care staff agency complies with the requirements of this subtitle.

(2) Each day a violation continues is a separate violation.

**[(j)] (H)** A health care staff agency is not a health care provider.

19–2002.

(d) When the Office conducts an inspection, the Office shall verify that the health care staff agency has developed, documented, and implemented procedures for:

(4) Reporting of an action or condition under **[(§ 19–2001(h))] § 19–2001(F)** of this subtitle;

20–109.

(c) At the time of licensure **[or license renewal]**, an assisted living program with an Alzheimer’s special care unit or program shall send to the Department a written description of the special care unit or program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

**Approved by the Governor, May 15, 2018.**