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Handbook Package # 0115-02

CDSS MANUAL LETTER NO. CCL-15-07

TO: HOLDERS OF THE COMMUNITY CARE LICENSING MANUAL,
TITLE 22, DIVISION 6, CHAPTER 8, RESIDENTIAL CARE FACILITIES
FOR THE ELDERLY

Handbook Package # 0115-02

Effective 5/18/2015

Handbook Section 87156

This manual letter has been posted on the Office of Regulations Development website at <http://www.dss.cahwnet.gov/ord/PG646.htm>.

This manual letter is updating a handbook section which includes quoted material relevant to the Residential Care Facilities for the Elderly regulations.

Since these corrections are nonsubstantive, a public hearing was not necessary.

FILING INSTRUCTIONS

Revisions to all manuals are indicated by a vertical line in the left margin. 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-15-06. The latest prior manual letter containing Residential Care Facilities for the Elderly regulation changes was Manual Letter No. CCL-12-06.

Page(s)
39 through 42

Replace(s) Pages
39 through 42

Attachments

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87155 APPLICATION FOR LICENSE (Continued)**87155**

- (12) Evidence pursuant to Health and Safety Code, section 1520(b).

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Health and Safety Code section 1520(b) provides:

"(b) Evidence satisfactory to the department that the applicant is of reputable and responsible character. ... If the applicant is a firm, association, organization, partnership, business trust, corporation or company, like evidence shall be submitted as to the members or shareholders thereof, and the person who will be in charge of the community care facility for which application for issuance of license or special permit is made."

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- (13) A financial plan of operation on forms provided or approved by the Department. Start-up funds shall be sufficient to meet a minimum of three (3) months operating costs. In addition:
- (A) Where construction is anticipated to meet the requirements for a license, sufficient financing for the construction shall be available.
 - (B) The scope of the applicant's services shall be such that an adequate quality of service will be permitted from available funds. The licensing agency shall have the right to verify the availability of these funds.
- (14) When there is a change of licensee, the required documentation shall include the information specified in Section 87217(k).
- (15) Information concerning insurance carried by the applicant relating to the operation of the facility.
- (16) A plan of operation as specified in Section 87208, Plan of Operation.
- (17) The fee for processing the application for the requested capacity as specified in Section 87156, Licensing Fees.
- (18) Name, address and telephone number of the city or county fire department, the district providing fire protection services, or the State Fire Marshal's Office having jurisdiction in the area where the facility is located.
- (19) Such other information as may be required by the licensing agency for the proper administration and enforcement of the licensing law and regulations.
- (b) An application shall be filed with the licensing agency which serves the area in which the facility is located.

87155 APPLICATION FOR LICENSE (Continued)**87155**

NOTE: Authority cited: Sections 1569.23, 1569.30 and 1569.616, Health and Safety Code. Reference: Sections 1569.1, 1569.2, 1569.10, 1569.15, 1569.151, 1569.1515, 1569.16, 1569.17, 1569.185, 1569.19, 1569.20, 1569.21, 1569.22, 1569.23, 1569.24, 1569.312, 1569.45, 1569.60, 1569.616 and 1569.62, Health and Safety Code.

87156 LICENSING FEES**87156**

- (a) An applicant or licensee shall be charged fees as specified in Health and Safety Code section 1569.185.

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Health and Safety Code section 1569.185 provides:

- (a)(1) An application fee adjusted by facility and capacity shall be charged by the department for the issuance of a license to operate a residential care facility for the elderly. 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 activities specified in this chapter. Fees shall be assessed as follows, subject to paragraph (2):

| Capacity | Fee Schedule | |
|----------|---------------------|------------|
| | Initial Application | Annual |
| 1-3 | \$ 495.60 | \$ 495.60 |
| 4-6 | \$ 990.00 | \$ 495.60 |
| 7-15 | \$ 1,486.80 | \$ 742.80 |
| 16-30 | \$ 1,980.00 | \$ 990.00 |
| 31-49 | \$ 2,476.80 | \$1,238.40 |
| 50-74 | \$ 2,972.40 | \$1,448.00 |
| 75-100 | \$ 3,469.20 | \$1,734.00 |
| 101-150 | \$ 3,964.80 | \$1,982.40 |
| 151-200 | \$ 4,622.40 | \$2,311.20 |
| 201-250 | \$ 5,280.00 | \$2,640.00 |
| 251-300 | \$ 5,940.00 | \$2,970.00 |
| 301-350 | \$ 6,600.00 | \$3,300.00 |
| 351-400 | \$ 7,260.00 | \$3,630.00 |
| 401-500 | \$ 8,580.00 | \$4,290.00 |
| 501-600 | \$ 9,900.00 | \$4,950.00 |
| 601-700 | \$11,220.00 | \$5,610.00 |
| 701+ | \$13,200.00 | \$6,600.00 |

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(2) (A) The Legislature finds that all revenues generated by fees for licenses computed under this section and used for the purposes for which they were imposed are not subject to Article XIII B of the California Constitution.

(B) The department, at least every five years, shall analyze initial application fees and annual fees issued by it to ensure the appropriate fee amounts are charged. The department shall recommend to the Legislature that fees established by the Legislature be adjusted as necessary to ensure that the amounts are appropriate.

(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 current annual fee, in addition to the current 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).

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(F) A late fee that represents an additional 50 percent of the established current annual fee when any licensee fails to pay the current 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 jurisdiction 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) (1) 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 or supervision by licensees and to support the activities of the licensing programs, 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 annual Budget Act in support of the licensing program. The department shall adjust the fees collected pursuant to this section to ensure that they do not exceed the costs described in this paragraph.

(2) The department shall not utilize any portion of these revenues sooner than 30 days after notification in writing of the purpose and use, as approved by the Department 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.

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

(e) 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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- (b) The annual fee shall be according to existing licensed capacity unless the licensee requests a lower or higher capacity.
- (c) An additional fee shall be charged when the licensee requests an increase or decrease in capacity as specified in Health and Safety Code section 1569.185(b)(1)(C).
- (d) When a licensee moves a facility from one location to another, the relocation fee shall be as specified in Health and Safety Code section 1569.185(b)(1)(A).