

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10362-MGa-86

Short Title: Enhanced Reg. of Registered Res. Facilities. (Public)

Sponsors: Representative Pittman.

Referred to:

A BILL TO BE ENTITLED
AN ACT REPLACING THE TERM "MULTIUNIT ASSISTED HOUSING WITH SERVICES"
WITH "REGISTERED RESIDENTIAL FACILITY" AND REDEFINING THE TERM
"ASSISTED LIVING RESIDENCE" TO EXCLUDE THESE FACILITIES TO MAKE IT
CLEARER TO THE PUBLIC THAT REGISTERED RESIDENTIAL FACILITIES ARE
NOT EQUIVALENT TO LICENSED ADULT CARE HOMES; UPDATING THE
REGISTRATION REQUIREMENTS FOR REGISTERED RESIDENTIAL FACILITIES;
EXPANDING THE LIST OF PERSONS NOT TO BE CARED FOR IN REGISTERED
RESIDENTIAL FACILITIES; AUTHORIZING THE DEPARTMENT OF HEALTH AND
HUMAN SERVICES TO SEEK AN INJUNCTION OR OTHER PROCESS AGAINST A
REGISTERED RESIDENTIAL FACILITY OPERATING WITHOUT APPROVED
REGISTRATION; AND DIRECTING THE MEDICAL CARE COMMISSION TO ADOPT
RULES ESTABLISHING STANDARDS FOR REGISTERING, INSPECTING, AND
TAKING ADVERSE ACTION AGAINST REGISTERED RESIDENTIAL FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. Effective January 1, 2026, Part 1 of Article 1 of Chapter 131D of the
General Statutes reads as rewritten:

"Part 1. Licensing.

...

"§ 131D-2.1. Definitions.

As used in this Article:

...

- (5) Assisted living residence. – Any group housing and services program for two or more unrelated adults, by whatever name it is called, that makes available, at a minimum, one meal a day and housekeeping services and provides personal care services directly or through a formal written agreement with one or more licensed home care or hospice agencies. The Department may allow nursing service exceptions on a case-by-case basis. Settings in which services are delivered may include self-contained apartment units or single or shared room units with private or area baths. Assisted living residences are to be distinguished from nursing homes subject to provisions of G.S. 131E-102. There are ~~three-two~~ types of assisted living residences: adult care ~~homes,~~ homes and adult care homes that serve only elderly ~~persons, and multiunit assisted housing with services.~~ persons. As used in this section, "elderly person" means:



* D R H 1 0 3 6 2 - M G A - 8 6 *

- 1 a. Any person who has attained the age of 55 years or older and requires
2 assistance with activities of daily living, housing, and services, or
3 b. Any adult who has a primary diagnosis of Alzheimer's disease or other
4 form of dementia who requires assistance with activities of daily
5 living, housing, and services provided by a licensed Alzheimer's and
6 dementia care unit.

7 ...

8 (10) ~~Multiunit assisted housing with services. — An assisted living residence in~~
9 ~~which hands on personal care services and nursing services which are~~
10 ~~arranged by housing management are provided by a licensed home care or~~
11 ~~hospice agency through an individualized written care plan. The housing~~
12 ~~management has a financial interest or financial affiliation or formal written~~
13 ~~agreement which makes personal care services accessible and available~~
14 ~~through at least one licensed home care or hospice agency. The resident has a~~
15 ~~choice of any provider, and the housing management may not combine~~
16 ~~charges for housing and personal care services. All residents, or their~~
17 ~~compensatory agents, must be capable, through informed consent, of entering~~
18 ~~into a contract and must not be in need of 24-hour supervision. Assistance~~
19 ~~with self-administration of medications may be provided by appropriately~~
20 ~~trained staff when delegated by a licensed nurse according to the home care~~
21 ~~agency's established plan of care. Multiunit assisted housing with services~~
22 ~~programs are required to register annually with the Division of Health Service~~
23 ~~Regulation. Multiunit assisted housing with services programs are required to~~
24 ~~provide a disclosure statement to the Division of Health Service Regulation.~~
25 ~~The disclosure statement is required to be a part of the annual rental contract~~
26 ~~that includes a description of the following requirements:~~

- 27 a. ~~Emergency response system;~~
28 b. ~~Charges for services offered;~~
29 c. ~~Limitations of tenancy;~~
30 d. ~~Limitations of services;~~
31 e. ~~Resident responsibilities;~~
32 f. ~~Financial/legal relationship between housing management and home~~
33 ~~care or hospice agencies;~~
34 g. ~~A listing of all home care or hospice agencies and other community~~
35 ~~services in the area;~~
36 h. ~~An appeals process; and~~
37 i. ~~Procedures for required initial and annual resident screening and~~
38 ~~referrals for services.~~

39 ~~Continuing care retirement communities, subject to regulation by the~~
40 ~~Department of Insurance under Chapter 58 of the General Statutes, and~~
41 ~~temporary family health care structures, as defined in G.S. 160D-915, are~~
42 ~~exempt from the regulatory requirements for multiunit assisted housing with~~
43 ~~services programs.~~

44 ...

45 (12a) Registered residential facility. – A nonlicensed residence for two or more
46 unrelated adults, by whatever name it is called, in which the housing
47 management arranges for a licensed home care or hospice agency to provide
48 hands-on personal care services and nursing services to residents through an
49 individualized written care plan. Continuing care retirement communities,
50 subject to regulation by the Department of Insurance under Chapter 58 of the
51 General Statutes, and temporary family health care structures, as defined in

G.S. 160D-915, are not registered residential facilities for purposes of this Part.

- (13) ~~Registration.—The submission by a multiunit assisted housing with services provider of a disclosure statement containing all the information as outlined in subdivision (10) of this section.~~

...

"§ 131D-2.2. Persons not to be cared for in adult care homes and ~~multiunit assisted housing with services; registered residential facilities; hospice care; obtaining services.~~ care services in assisted living residences; assisted living residents' right to obtain other services at their own expense.

...

(b) ~~Multiunit Assisted Housing With Services. Registered Residential Facilities.~~ Except when a physician certifies that appropriate care can be provided on a temporary basis by an appropriate licensed health care professional to meet the resident's needs and prevent unnecessary relocation, ~~multiunit assisted housing with services registered residential facilities~~ shall not care for individuals with any of the following conditions or care needs:

- (1) Ventilator ~~dependency; dependency.~~
- (2) Dermal ulcers III and IV, except those stage III ulcers which are determined by an independent physician to be ~~healing; healing.~~
- (3) Intravenous therapy or injections directly into the vein, except for intermittent intravenous therapy managed by a home care or hospice agency licensed in this ~~State; State.~~
- (4) Airborne infectious disease in a communicable state that requires isolation of the individual or requires special precautions by the caretaker to prevent transmission of the disease, including diseases such as tuberculosis and excluding infections such as the common ~~cold; cold.~~
- (5) Psychotropic medications without appropriate diagnosis and treatment ~~plans; plans.~~
- (6) Nasogastric ~~tubes; tubes.~~
- (7) Gastric tubes, except when the individual is capable of independently feeding himself or herself and caring for the tube, or as managed by a home care or hospice agency licensed in this ~~State; State.~~
- (8) Individuals requiring continuous licensed nursing ~~care; care.~~
- (9) Individuals whose physician certifies that placement is no longer ~~appropriate; appropriate.~~
- (10) Unless the individual's independent physician determines otherwise, individuals who require maximum physical assistance as documented by a uniform assessment instrument and who meet Medicaid nursing facility level-of-care criteria as defined in the State Plan for Medical Assistance. Maximum physical assistance means that an individual has a rating of total dependence in four or more of the seven activities of daily living as documented on a uniform assessment ~~instrument; instrument.~~
- (10a) Individuals who, because of one or more physical or cognitive impairments, are unable to evacuate from the registered residential facility independently without physical or verbal assistance.
- (10b) Individuals who exhibit wandering behaviors or who, because of one or more cognitive impairments, require supervision to maintain their safety in the registered residential facility.
- (11) Individuals whose health needs cannot be met in the specific ~~multiunit assisted housing with services registered residential facility~~ as determined by the ~~residence; and facility.~~

- 1 (12) Such other medical and functional care needs as the Medical Care
2 Commission determines cannot be properly met in ~~multiunit assisted housing~~
3 ~~with services~~ a registered residential facility.
4 ...

5 **"§ 131D-2.2A. Requirements for registered residential facilities; compliance with**
6 **disclosure statement; Department's right to inspect.**

7 (a) Registration. – Registered residential facilities shall apply annually for registration
8 with the Division of Health Service Regulation (Division) on forms and in the manner prescribed
9 by the Division. The Division shall approve registration for any registered residential facility that
10 meets all of the requirements of this section and pays the registration fee required by
11 G.S. 131D-2.5(b).

12 (b) Disclosure Statement. – In order to be approved for registration by the Division, a
13 registered residential facility shall provide a disclosure statement with its completed registration
14 application that includes a description of all of the following items, services, and requirements:

- 15 (1) The facility's emergency response system and an explanation of how the
16 resident should call for emergency assistance.
17 (2) Charges for rentals or services offered by the facility, which shall not be
18 changed without at least 30 days' written notice to residents.
19 (3) Any limitations of tenancy.
20 (4) Any limitations of services, including any services not provided by the
21 registered residential facility and procedures for initiating termination of a
22 rental contract due to changes in a resident's condition or due to other reasons.
23 (5) Resident responsibilities.
24 (6) Any financial or legal relationship between the housing management and any
25 licensed home care or hospice agencies referred by the housing management
26 to residents.
27 (7) A listing of all licensed home care and hospice agencies and other community
28 services located in the same area as the facility and their contact information.
29 (8) An appeals process for any dispute between the facility and a resident related
30 to rental charges, charges for services, or termination of a rental contract.
31 (9) Procedures for initial and annual resident screening as required by subsection
32 (d) of this section and procedures for the facility to make referrals of services
33 to residents.
34 (10) Contact information for the Division of Health Service Regulation Complaint
35 Intake Unit complaint hotline and the appropriate county department of social
36 services.
37 (11) Contact information for the owner or manager of the registered residential
38 facility as well as information on the number and type of staff available at the
39 facility and a schedule of on-site working hours at the facility.

40 The Division shall approve or disapprove the disclosure statement as a part of the registration
41 process. Upon approval of its disclosure statement and registration application, a registered
42 residential facility has a continuing duty to comply with the disclosure statement and is required
43 to notify the Division within 14 days after making any change to a disclosure statement approved
44 by the Division. The registered residential facility shall include the approved disclosure statement
45 as part of the resident's annual rental contract and shall ensure that the resident or the resident's
46 legal representative signs the approved disclosure statement on an annual basis.

47 (c) Agreement for Housing and Services. – The housing management of a registered
48 residential facility is required to have a financial interest, or financial affiliation, or formal written
49 agreement that makes personal care services accessible and available to residents through at least
50 one licensed home care or hospice agency. The housing management shall give each resident a
51 choice of any provider and keep charges for housing and personal care services separate. The

housing management shall ensure that all residents, or their compensatory agents, are capable, through informed consent, of entering into a contract for housing and services.

(d) Resident Screening. – Each registered residential facility shall conduct an initial screening of each resident prior to admission and then a follow-up screening at least once annually. The purpose of the initial and annual screenings required by this subsection is to identify a resident's need for assistance with activities of daily living, independent activities of daily living, and any ancillary services needed to maintain the resident's safety, well-being, and functional status. A registered residential facility shall make service referrals to each resident based on that resident's screenings. A registered residential facility may assist a resident with self-administration of medications if the assistance is provided by appropriately trained staff and a licensed nurse has approved the delegation of medication assistance according to the home care agency's established plan of care for the resident.

(e) Handling of Resident Funds Prohibited. – A registered residential facility and its owners, agents, employees, and other persons affiliated with the registered residential facility are prohibited from serving as a resident's legal representative or payee, or handling a resident's funds.

(f) Employee Background Checks. – A registered residential facility is prohibited from hiring or using as a volunteer any individual listed on the North Carolina Health Care Personnel Registry established under G.S. 131E-256. A registered residential facility shall not hire any employee prior to conducting a criminal history background check of the employee and shall not refer any licensed home care or hospice agency to a resident prior to verifying that the licensed home care or hospice agency conducts criminal history background checks of its employees.

(g) Adverse Action by the Division of Health Service Regulation. – The Division of Health Service Regulation may deny, suspend, or revoke the registration of a registered residential facility for any of the following reasons:

- (1) Upon a determination by the Division that a facility is providing services that require a license rather than registration.
- (2) Upon a determination by the Division that a facility is not in compliance with its approved disclosure statement.
- (3) Upon a determination by the Division that a county department of social services has substantiated a finding of abuse, neglect, or exploitation by a facility. Any owner of a registered residential facility whose registration is revoked by the Division under this subdivision is prohibited from registering another registered residential facility or applying for a license to operate another health care facility under this Chapter, Chapter 122C, Chapter 131E, or Article 7 of Chapter 110 of the General Statutes for a period of 60 months following the date of the revocation.

Any facility wishing to contest the Division's actions under this subsection is entitled to an administrative hearing as provided in the Administrative Procedure Act, Chapter 150B of the General Statutes.

(h) Adverse Action by the Secretary. – The Secretary may deny, suspend, amend, or revoke the registration of a registered residential facility, or suspend the admission of any new residents to a registered residential facility, in any case in which the Secretary finds that there has been a substantial failure to comply with this Part, any applicable rules adopted under this Part, or any other applicable State laws or rules. Any facility wishing to contest the Secretary's actions under this subsection is entitled to an administrative hearing as provided in the Administrative Procedure Act, Chapter 150B of the General Statutes.

(i) Duty to Report Suspected Abuse, Neglect, and Exploitation of Residents. – A registered residential facility that knows or has cause to suspect that a resident is being abused, neglected, or exploited shall report this information to local law enforcement, the North Carolina

Health Care Personnel Registry pursuant to G.S. 131E-256, and the appropriate county department of social services in accordance with G.S. 108A-102.

(j) Complaint Inspections and Plans of Correction. – Each registered residential facility registered under this Part is subject to inspection at all times by the Secretary to investigate complaints filed with the Division against the facility alleging violations of this Part. A registered residential facility shall permit the Division to inspect the premises and all facility and resident records upon request. Within 15 working days after conducting an inspection authorized by this subsection, the Division shall send a written report of its findings to the registered residential facility. Within 10 working days after receipt of the Division's written report of findings, the registered residential facility shall submit a plan of correction to the Division, based on the written report of the findings, that describes steps the registered residential facility will take to achieve and maintain compliance with the requirements of this Part. A registered residential facility's failure to submit a plan of correction within the time period prescribed by this section or failure to submit a plan of correction that is acceptable to the Division is grounds for the Division to take adverse action on the registered residential facility's registration.

"§ 131D-2.3. Exemptions from licensure.

The following are excluded from this Article and are not required to be registered or obtain licensure under this Article:

- (1) Facilities licensed under Chapter 122C or Chapter 131E of the General Statutes.
- (2) Persons subject to rules of the Division of Employment and Independence for People with Disabilities.
- (3) Facilities that care for no more than four persons, all of whom are under the supervision of the United States Veterans Administration.
- (4) Facilities other than registered residential facilities that make no charges for housing, amenities, or personal care service, either directly or indirectly.
- (5) Institutions that are maintained or operated by a unit of government and that were established, maintained, or operated by a unit of government and exempt from licensure by the Department on September 30, 1995.

...

"§ 131D-2.5. License and registration fees.

...

(b) The Department shall charge each registered ~~multiunit assisted housing with services program~~ residential facility a nonrefundable annual registration fee of three hundred fifty dollars (\$350.00). Any individual or corporation that establishes, conducts, manages, or operates a ~~multiunit housing with services program, registered residential facility~~ subject to registration under this section, that fails to register is guilty of a Class 3 misdemeanor and, upon conviction shall be punishable only by a fine of not more than fifty dollars (\$50.00) for the first offense and not more than five hundred dollars (\$500.00) for each subsequent offense. Each day of a continuing violation after conviction shall be considered a separate offense.

"§ 131D-2.6. Legal action by Department.

(a) Notwithstanding the existence or pursuit of any other remedy, the Department may, in the manner provided by law, maintain an action in the name of the State for injunction or other process against any person to restrain or prevent the establishment, conduct, management, or operation of (i) ~~an adult care home without a license~~ license or (ii) a registered residential facility without approved registration. Such action shall be instituted in the superior court of the county in which any unlicensed activity has occurred or is occurring.

...."

SECTION 2.(a) G.S. 143B-165 reads as rewritten:

"§ 143B-165. North Carolina Medical Care Commission – creation, powers and duties.

1 There is hereby created the North Carolina Medical Care Commission of the Department of
2 Health and Human Services with the power and duty to adopt rules to be followed in the
3 construction and maintenance of public and private hospitals, medical centers, and facilities
4 regulated under Chapters 131D and 131E of the General Statutes; to adopt, amend and rescind
5 rules under and not inconsistent with the laws of the State as necessary to carry out the provisions
6 and purposes of this Article; and to protect the health, safety, and welfare of the individuals
7 served by these facilities.

8 ...

9 (14) The Commission shall adopt rules establishing standards for the following
10 with respect to facilities used as ~~multiunit assisted housing with services,~~
11 registered residential facilities, as defined by Article 1 of Chapter 131D of the
12 General Statutes:

- 13 a. Registration and deregistration.
- 14 b. Disclosure statements.
- 15 c. Agreements for services.
- 16 d. Personnel requirements.
- 17 e. Resident admissions and discharges.
- 18 f. Inspections.
- 19 g. Approval, denial, revocation, or amendment of a facility's registration,
20 and suspension of admissions at a facility."

21 **SECTION 2.(b)** The Medical Care Commission may adopt emergency rules in
22 accordance with G.S. 150B-21.1A to implement this section with a reference to this subsection
23 as the basis for the adoption of those rules as emergency rules. Notwithstanding
24 G.S. 150B-21.1A(a), the Medical Care Commission shall not commence the adoption of
25 temporary rules pursuant to this subsection. Notwithstanding G.S. 150B-21.1A(d)(4), an
26 emergency rule adopted pursuant to this subsection expires on the earlier of January 1, 2027, or
27 the date the permanent rules adopted by the Medical Care Commission pursuant to
28 G.S. 143B-165(14), as amended by this act, become effective. The Department of Health and
29 Human Services shall notify the Revisor of Statutes when the permanent rules adopted pursuant
30 to G.S. 143B-165(14), as amended by this act, take effect.

31 **SECTION 3.** Effective January 1, 2026, G.S. 131E-256(b) reads as rewritten:

32 "(b) For the purpose of this section, the following are considered to be "health care
33 facilities":

- 34 (1) Adult Care Homes as defined in G.S. 131D-2.1.
- 35 (2) Hospitals as defined in G.S. 131E-76.
- 36 (3) Home Care Agencies as defined in G.S. 131E-136.
- 37 (4) Nursing Pools as defined by G.S. 131E-154.2.
- 38 (5) Hospices as defined by G.S. 131E-201.
- 39 (6) Nursing Facilities as defined by G.S. 131E-255.
- 40 (7) State-Operated Facilities as defined in G.S. 122C-3(14)f.
- 41 (8) Residential Facilities as defined in G.S. 122C-3(14)e.
- 42 (9) 24-Hour Facilities as defined in G.S. 122C-3(14)g.
- 43 (10) Licensable Facilities as defined in G.S. 122C-3(14)b.
- 44 (11) ~~Multiunit Assisted Housing with Services~~ Registered residential facilities as
45 defined in G.S. 131D-2.1.
- 46 (12) Community-Based Providers of Services for the Mentally Ill, the
47 Developmentally Disabled, and Substance Abusers that are not required to be
48 licensed under Article 2 of Chapter 122C of the General Statutes.
- 49 (13) Agencies providing in-home aide services funded through the Home and
50 Community Care Block Grant Program in accordance with
51 G.S. 143B-181.1(a)11."

SECTION 4. Effective July 1, 2025, there is appropriated from the General Fund to the Department of Health and Human Services, Division of Health Service Regulation, the sum of three hundred fifty-five thousand two hundred fourteen dollars (\$355,214) in recurring funds for each year of the 2025-2027 fiscal biennium to fund three full-time equivalent Facility Compliance Consultant I positions dedicated to the Division of Health Service Regulation to assist with the registration and inspection of registered residential facilities pursuant to Part 1 of Article 1 of Chapter 131D of the General Statutes, as amended by Section 1 of this act; and the sum of eighteen thousand dollars (\$18,000) in nonrecurring funds for the 2025-2026 fiscal year to purchase equipment, supplies, and other nonrecurring expenses associated with these new positions.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.