

AGENDA ITEM 9

REVIEW AND DISCUSSION OF 2020 CALIFORNIA LEGISLATION TO ESTABLISH PHYSICAL THERAPY AND NURSE LICENSURE COMPACTS.

Attached are the following:

- a. Senate Bill (SB)1054 (Moorlach) Physical Therapy Licensure Compact
- b. SB 1054 Analysis by Senate Committee on Business, Professions and Economic Development.
- c. SB 1053 (Moorlach) Licensed registered nurses and licensed vocational nurses: Nurse Licensure Compact.
- d. SB 1053 Analysis by Senate Committee on Business, Professions and Economic Development



SB-1054 Physical Therapy Licensure Compact. (2019-2020)

SHARE THIS:



Date Published: 04/09/2020 09:00 PM

AMENDED IN SENATE APRIL 09, 2020

CALIFORNIA LEGISLATURE— 2019-2020 REGULAR SESSION

SENATE BILL

NO. 1054

Introduced by Senator Moorlach
(Coauthor: Senator Galgiani)

February 18, 2020

An act to add Article 5.5 (commencing with Section 2655) to Chapter 5.7 of Division 2 of the Business and Professions Code, relating to healing arts.

LEGISLATIVE COUNSEL'S DIGEST

SB 1054, as amended, Moorlach. Physical Therapy Licensure Compact.

Existing law, the Physical Therapy Practice Act, provides for the licensure and regulation of physical therapists by the Physical Therapy Board of California, and establishes education, examination, and other requirements for licensure in this state.

This bill would enact the Physical Therapy Licensure Compact, under which each member state is required to grant a compact privilege, as defined, to a physical therapist holding a license in another member state if specified conditions are satisfied. The bill would authorize a member state to ~~change~~ *charge* a fee for granting a compact privilege. *The bill would prohibit fees collected by the Physical Therapy Board of California for purposes of granting a compact privilege from exceeding the cost of administering that privilege under the compact and would require the fees to be deposited in the Physical Therapy Fund.* The bill would require the ~~Physical Therapy Board of California~~ *board* to select a delegate to be a member of the Physical Therapy Compact Commission, a joint public agency which would be authorized to promulgate uniform rules in accordance with specified rulemaking procedures to implement the compact. The bill would authorize an executive board of the commission to act on behalf of the commission, and would specify the executive board's duties, including recommending changes to fees. The bill would authorize the commission to levy and collect an annual assessment from each state or impose fees on other parties to cover the costs of the operations and activities of the commission. The bill would require the board to transmit specified data on licensees to a coordinated database and reporting system maintained by the commission. The bill would specify that the provisions of the compact and the rules promulgated pursuant to the compact shall have the force and effect of state law. The bill would state that if any provision of the compact is contrary to the United States Constitution, the California Constitution, or any state or federal statute or regulation, the provision is void and unenforceable.

Because a person licensed in another state practicing under a compact privilege would be subject to the provisions of the act, a violation of which is a misdemeanor, the bill would expand the scope of a crime and would thereby impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 5.5 (commencing with Section 2655) is added to Chapter 5.7 of Division 2 of the Business and Professions Code, to read:

Article 5.5. Physical Therapy Licensure Compact

2655. The Physical Therapy Licensure Compact is hereby enacted into law with all other participating states.

2655.1. The Physical Therapy Board of California is hereby designated as the state licensing board and shall administer the provisions of the compact.

2655.2. If any provision in the compact is contrary to the United States Constitution, the California Constitution, or conflicts with any state or federal statute or regulation, the provision is void and unenforceable.

2655.3. The provisions of the Physical Therapy Licensure Compact are as follows:

PHYSICAL THERAPY LICENSURE COMPACT

SECTION 1. PURPOSE

The purpose of this Compact is to facilitate interstate practice of physical therapy with the goal of improving public access to physical therapy services. The practice of physical therapy occurs in the state where the patient/client is located at the time of the patient/client encounter. The Compact preserves the regulatory authority of states to protect public health and safety through the current system of state licensure.

This Compact is designed to achieve the following objectives:

1. Increase public access to physical therapy services by providing for the mutual recognition of other member state licenses;
2. Enhance the states' ability to protect the public's health and safety;
3. Encourage the cooperation of member states in regulating multi-state physical therapy practice;
4. Support spouses of relocating military members;
5. Enhance the exchange of licensure, investigative, and disciplinary information between member states; and
6. Allow a remote state to hold a provider of services with a compact privilege in that state accountable to that state's practice standards.

SECTION 2. DEFINITIONS

As used in this Compact, and except as otherwise provided, the following definitions shall apply:

1. "Active Duty Military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. Section 1209 and 1211.
2. "Adverse Action" means disciplinary action taken by a physical therapy licensing board based upon misconduct, unacceptable performance, or a combination of both.
3. "Alternative Program" means a non-disciplinary monitoring or practice remediation process approved by a physical therapy licensing board. This includes, but is not limited to, substance abuse issues.

4. "Compact privilege" means the authorization granted by a remote state to allow a licensee from another member state to practice as a physical therapist or work as a physical therapist assistant in the remote state under its laws and rules. The practice of physical therapy occurs in the member state where the patient/client is located at the time of the patient/client encounter.
5. "Continuing competence" means a requirement, as a condition of license renewal, to provide evidence of participation in, and/or completion of, educational and professional activities relevant to practice or area of work.
6. "Data system" means a repository of information about licensees, including examination, licensure, investigative, compact privilege, and adverse action.
7. "Encumbered license" means a license that a physical therapy licensing board has limited in any way.
8. "Executive Board" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the Commission.
9. "Home state" means the member state that is the licensee's primary state of residence.
10. "Investigative information" means information, records, and documents received or generated by a physical therapy licensing board pursuant to an investigation.
11. "Jurisprudence Requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of physical therapy in a state.
12. "Licensee" means an individual who currently holds an authorization from the state to practice as a physical therapist or to work as a physical therapist assistant.
13. "Member state" means a state that has enacted the Compact.
14. "Party state" means any member state in which a licensee holds a current license or compact privilege or is applying for a license or compact privilege.
15. "Physical therapist" means an individual who is licensed by a state to practice physical therapy.
16. "Physical therapist assistant" means an individual who is licensed/certified by a state and who assists the physical therapist in selected components of physical therapy.
17. "Physical therapy," "physical therapy practice," and "the practice of physical therapy" mean the care and services provided by or under the direction and supervision of a licensed physical therapist.
18. "Physical Therapy Compact Commission" or "Commission" means the national administrative body whose membership consists of all states that have enacted the Compact.
19. "Physical therapy licensing board" or "licensing board" means the agency of a state that is responsible for the licensing and regulation of physical therapists and physical therapist assistants.
20. "Remote State" means a member state other than the home state, where a licensee is exercising or seeking to exercise the compact privilege.
21. "Rule" means a regulation, principle, or directive promulgated by the Commission that has the force of law.
22. "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of physical therapy.

SECTION 3. STATE PARTICIPATION IN THE COMPACT

A. To participate in the Compact, a state must:

1. Participate fully in the Commission's data system, including using the Commission's unique identifier as defined in rules;
2. Have a mechanism in place for receiving and investigating complaints about licensees;
3. Notify the Commission, in compliance with the terms of the Compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

4. Fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions in accordance with Section 3.B.;

5. Comply with the rules of the Commission;

6. Utilize a recognized national examination as a requirement for licensure pursuant to the rules of the Commission; and

7. Have continuing competence requirements as a condition for license renewal.

B. Upon adoption of this statute, the member state shall have the authority to obtain biometric-based information from each physical therapy licensure applicant and submit this information to the Federal Bureau of Investigation for a criminal background check in accordance with 28 U.S.C. §534 and 42 U.S.C. §14616.

C. A member state shall grant the compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the Compact and rules.

D. Member states may charge a fee for granting a compact ~~privilege~~ privilege.

SECTION 4. COMPACT PRIVILEGE

A. To exercise the compact privilege under the terms and provisions of the Compact, the licensee shall:

1. Hold a license in the home state;

2. Have no encumbrance on any state license;

3. Be eligible for a compact privilege in any member state in accordance with Section 4D, G and H;

4. Have not had any adverse action against any license or compact privilege within the previous 2 years;

5. Notify the Commission that the licensee is seeking the compact privilege within a remote state(s);

6. Pay any applicable fees, including any state fee, for the compact privilege;

7. Meet any jurisprudence requirements established by the remote state(s) in which the licensee is seeking a compact privilege; and

8. Report to the Commission adverse action taken by any non-member state within 30 days from the date the adverse action is taken.

B. The compact privilege is valid until the expiration date of the home license. The licensee must comply with the requirements of Section 4.A. to maintain the compact privilege in the remote ~~state~~ state.

C. A licensee providing physical therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

D. A licensee providing physical therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, and/or take any other necessary actions to protect the health and safety of its citizens. The licensee is not eligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

E. If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

1. The home state license is no longer encumbered; and

2. Two years have elapsed from the date of the adverse action.

F. Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of Section 4A to obtain a compact privilege in any remote state.

G. If a licensee's compact privilege in any remote state is removed, the individual shall lose the compact privilege in any remote state until the following occur:

1. The specific period of time for which the compact privilege was removed has ended;

2. All fines have been paid; and

3. Two years have elapsed from the date of the adverse action.

H. Once the requirements of Section 4G have been met, the licensee must meet the requirements in Section 4A to obtain a compact privilege in a remote state.

SECTION 5. ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

A licensee who is active duty military or is the spouse of an individual who is active duty military may designate one of the following as the home state:

A. Home of record;

B. Permanent Change of Station (PCS); or

C. State of current residence if it is different than the PCS state or home of record.

SECTION 6. ADVERSE ACTIONS

A. A home state shall have exclusive power to impose adverse action against a license issued by the home state.

B. A home state may take adverse action based on the investigative information of a remote state, so long as the home state follows its own procedures for imposing adverse action.

C. Nothing in this Compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain non-public if required by the member state's laws. Member states must require licensees who enter any alternative programs in lieu of discipline to agree not to practice in any other member state during the term of the alternative program without prior authorization from such other member state.

D. Any member state may investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant holds a license or compact privilege.

E. A remote state shall have the authority to:

1. Take adverse actions as set forth in Section 4.D. against a licensee's compact privilege in the state;

2. Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a physical therapy licensing board in a party state for the attendance and testimony of witnesses, and/or the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses and/or evidence are located; and

3. If otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

F. Joint Investigations

1. In addition to the authority granted to a member state by its respective physical therapy practice act or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

2. Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

SECTION 7. ESTABLISHMENT OF THE PHYSICAL THERAPY COMPACT COMMISSION.

A. The Compact member states hereby create and establish a joint public agency known as the Physical Therapy Compact Commission:

1. The Commission is an instrumentality of the Compact states.

2. Venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

3. Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

B. Membership, Voting, and Meetings

1. Each member state shall have and be limited to one (1) delegate selected by that member state's licensing board.

2. The delegate shall be a current member of the licensing board, who is a physical therapist, physical therapist assistant, public member, or the board administrator.

3. Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

4. The member state board shall fill any vacancy occurring in the Commission.

5. Each delegate shall be entitled to one (1) vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission.

6. A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

7. The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

C. The Commission shall have the following powers and duties:

1. Establish the fiscal year of the Commission;

2. Establish bylaws;

3. Maintain its financial records in accordance with the bylaws;

4. Meet and take such actions as are consistent with the provisions of this Compact and the bylaws;

5. Promulgate uniform rules to facilitate and coordinate implementation and administration of this Compact. The rules shall have the force and effect of law and shall be binding in all member states;

6. Bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any state physical therapy licensing board to sue or be sued under applicable law shall not be affected;

7. Purchase and maintain insurance and bonds;

8. Borrow, accept, or contract for services of personnel, including, but not limited to, employees of a member state;

9. Hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the Compact, and to establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

10. Accept any and all appropriate donations and grants of money, equipment, supplies, materials and services, and to receive, utilize and dispose of the same; provided that at all times the Commission shall avoid any appearance of impropriety and/or conflict of interest;

11. Lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve or use, any property, real, personal or mixed; provided that at all times the Commission shall avoid any appearance of impropriety;

12. Sell convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

13. Establish a budget and make expenditures;

14. Borrow money;

15. Appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this Compact and the bylaws;

16. Provide and receive information from, and cooperate with, law enforcement agencies;

17. Establish and elect an Executive Board; and

18. Perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact consistent with the state regulation of physical therapy licensure and practice.

D. The Executive Board

The Executive Board shall have the power to act on behalf of the Commission according to the terms of this Compact

1. The Executive Board shall be composed of nine members:

a. Seven voting members who are elected by the Commission from the current membership of the Commission;

b. One ex-officio, nonvoting member from the recognized national physical therapy professional association; and

c. One ex-officio, nonvoting member from the recognized membership organization of the physical therapy licensing boards.

2. The ex-officio members will be selected by their respective organizations.

3. The Commission may remove any member of the Executive Board as provided in bylaws.

4. The Executive Board shall meet at least annually.

5. The Executive Board shall have the following Duties and responsibilities:

a. Recommend to the entire Commission changes to the rules or bylaws, changes to this Compact legislation, fees paid by Compact member states such as annual dues, and any commission Compact fee charged to licensees for the compact privilege;

b. Ensure Compact administration services are appropriately provided, contractual or otherwise;

c. Prepare and recommend the budget;

d. Maintain financial records on behalf of the Commission;

e. Monitor Compact compliance of member states and provide compliance reports to the Commission;

f. Establish additional committees as necessary; and

g. Other duties as provided in rules or bylaws.

E. Meetings of the Commission

1. All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Section 9.

2. The Commission or the Executive Board or other committees of the Commission may convene in a closed, non-public meeting if the Commission or Executive Board or other committees of the Commission must discuss:

a. Non-compliance of a member state with its obligations under the Compact;

b. The employment, compensation, discipline or other matters, practices or procedures related to specific employees or other matters related to the Commission's internal personnel practices and procedures;

c. Current, threatened, or reasonably anticipated litigation;

d. Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

e. Accusing any person of a crime or formally censuring any person;

- f. Disclosure of trade secrets or commercial or financial information that is privileged or confidential;
- g. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;
- h. Disclosure of investigative records compiled for law enforcement purposes;
- i. Disclosure of information related to any investigative reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the Compact; or
- j. Matters specifically exempted from disclosure by federal or member state statute.

3. If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

4. The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission or order of a court of competent jurisdiction.

F. Financing of the Commission

1. The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

2. The Commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

3. The Commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Commission, which shall promulgate a rule binding upon all member states.

4. The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the member states, except by and with the authority of the member state.

5. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

G. Qualified Immunity, Defense, and Indemnification

1. The members, officers, executive director, employees and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit and/or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

2. The Commission shall defend any member, officer, executive director, employee or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

3. The Commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

SECTION 8. DATA SYSTEM

A. The Commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

B. Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this Compact is applicable as required by the rules of the Commission, including:

1. Identifying information;
2. Licensure data;
3. Adverse actions against a license or compact privilege;
4. Non-confidential information related to alternative program participation;
5. Any denial of application for licensure, and the reason(s) for such denial; and
6. Other information that may facilitate the administration of this Compact, as determined by the rules of the Commission.

C. Investigative information pertaining to a licensee in any member state will only be available to other party states.

D. The Commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

E. Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

F. Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

SECTION 9. RULEMAKING

A. The Commission shall exercise its rulemaking powers pursuant to the criteria set forth in this Section and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

B. If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the Compact within 4 years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

C. Rules or amendments to the rules shall be adopted at a regular or special meeting of the Commission.

D. Prior to promulgation and adoption of a final rule or rules by the Commission, and at least thirty (30) days in advance of the meeting at which the rule will be considered and voted upon, the Commission shall file a Notice of Proposed Rulemaking:

1. On the website of the Commission or other publicly accessible platform; and
2. On the website of each member state physical therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

E. The Notice of Proposed Rulemaking shall include:

1. The proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

2. The text of the proposed rule or amendment and the reason for the proposed rule;

3. A request for comments on the proposed rule from any interested person; and

4. The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

F. Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

G. The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

1. At least twenty-five (25) persons;

2. A state or federal governmental subdivision or agency; or

3. An association having at least twenty-five (25) members.

H. If a hearing is held on the proposed rule or amendment, the Commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the Commission shall publish the mechanism for access to the electronic hearing.

1. All persons wishing to be heard at the hearing shall notify the executive director of the Commission or other designated member in writing of their desire to appear and testify at the hearing not less than five (5) business days before the scheduled date of the hearing.

2. Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

3. All hearings will be recorded. A copy of the recording will be made available on request.

4. Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

I. Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission shall consider all written and oral comments received.

J. If no written notice of intent to attend the public hearing by interested parties is received, the Commission may proceed with promulgation of the proposed rule without a public hearing.

K. The Commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

L. Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rulemaking procedures provided in the Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than ninety (90) days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

1. Meet an imminent threat to public health, safety, or welfare;

2. Prevent a loss of Commission or member state funds;

3. Meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

4. Protect public health and safety.

M. The Commission or an authorized committee of the Commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of thirty (30) days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing, and delivered to the chair of the Commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

SECTION 10. OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

A. Oversight

1. The executive, legislative, and judicial branches of state government in each member state shall enforce this Compact and take all actions necessary and appropriate to effectuate the Compact's purposes and intent. The provisions of this Compact and the rules promulgated hereunder shall have standing as statutory law.
2. All courts shall take judicial notice of the Compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this Compact which may affect the powers, responsibilities or actions of the Commission.
3. The Commission shall be entitled to receive service of process in any such proceeding, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the Commission shall render a judgment or order void as to the Commission, this Compact, or promulgated rules.

B. Default, Technical Assistance, and Termination

1. If the Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall:
 - a. Provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default and/or any other action to be taken by the Commission; and
 - b. Provide remedial training and specific technical assistance regarding the default.
2. If a state in default fails to cure the default, the defaulting state may be terminated from the Compact upon an affirmative vote of a majority of the member states, and all rights, privileges and benefits conferred by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.
3. Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.
4. A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.
5. The Commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the Compact, unless agreed upon in writing between the Commission and the defaulting state.
6. The defaulting state may appeal the action of the Commission by petitioning the U.S. District Court for the District of Columbia or the federal district where the Commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney's fees.

C. Dispute Resolution

1. Upon request by a member state, the Commission shall attempt to resolve disputes related to the Compact that arise among member states and between member and non-member states.
2. The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

D. Enforcement

1. The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this Compact.
2. By majority vote, the Commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices against a member state in default to enforce compliance with the provisions of the Compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney's fees.

3. The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or state law.

SECTION 11. DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR PHYSICAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

A. The Compact shall come into effect on the date on which the Compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the Commission relating to assembly and the promulgation of rules. Thereafter, the Commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the Compact.

B. Any state that joins the Compact subsequent to the Commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the Compact becomes law in that state. Any rule that has been previously adopted by the Commission shall have the full force and effect of law on the day the Compact becomes law in that state.

C. Any member state may withdraw from this Compact by enacting a statute repealing the same.

1. A member state's withdrawal shall not take effect until six (6) months after enactment of the repealing statute.

2. Withdrawal shall not affect the continuing requirement of the withdrawing state's physical therapy licensing board to comply with the investigative and adverse action reporting requirements of this act prior to the effective date of withdrawal.

D. Nothing contained in this Compact shall be construed to invalidate or prevent any physical therapy licensure agreement or other cooperative arrangement between a member state and a non-member state that does not conflict with the provisions of this Compact.

E. This Compact may be amended by the member states. No amendment to this Compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

SECTION 12. CONSTRUCTION AND SEVERABILITY

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable and if any phrase, clause, sentence or provision of this Compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Compact shall be held contrary to the constitution of any party state, the Compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

2655.4. Fees collected by the Physical Therapy Board of California for purposes of granting a compact privilege pursuant to Section 3.D of Section 2655.3 shall not exceed the cost of administering that privilege under the compact and shall be deposited in the Physical Therapy Fund established pursuant to Section 2682.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**
Senator Steven Glazer, Chair
2019 - 2020 Regular

Bill No:	SB 1054	Hearing Date:	May 18, 2020
Author:	Moorlach		
Version:	April 9, 2020 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Dana Shaker		

Subject: Physical Therapy Licensure Compact

SUMMARY: Requires California to join the Physical Therapy Licensure Compact (Compact), thereby granting an out-of-state applicant a valid privilege to practice physical therapy in California and changing existing out-of-state applicant licensing procedures, as well as enforcement, administrative, fee, and data requirements for those privilege holders.

NOTE: *Due to the COVID-19 Pandemic and the unprecedented nature of the 2020 Legislative Session, all Senate Policy Committees are working under a compressed timeline. This timeline does not allow this bill to be referred and heard by more than one committee as a typical timeline would allow. In order to fully vet the contents of this measure for the benefit of Senators and the public, this analysis includes information from the Senate Committee on Judiciary.*

Existing law:

- 1) Establishes the Physical Therapy Practice Act (Act) and requires any individual practicing physical therapy (PT) in California to be licensed by the Physical Therapy Board (Board). (Business and Professions Code (BPC) § 2630)
- 2) Establishes the Board to regulate the practice PT with the authority to: evaluate qualifications of applicants for licensure; provide for the examination of PTs and physical therapists assistants (PTAs) and establish a passing score for each examination; issue all licenses for the practice of PT in California; suspend and revoke licenses and otherwise enforce its provisions in the relevant portion of the BPC; administer a continuing competency program; participate in applicable committee meetings of the Federation of State Boards of Physical Therapy; publish, at least annually, a newsletter detailing board action; among other things. (BPC § 2605)
- 3) Requires applicants for licensure be 18 years old at the time they apply, not be addicted to drugs or alcohol, have completed specified education and training requirements, and not committed crimes defined for denial of licensure. (BPC § 2635)
- 4) Makes it illegal for a person to practice or offer to practice PT for received or expected compensation or hold themselves out as a PT, unless explicitly excepted or a person holds a valid, unexpired, and unrevoked PT license. (BPC § 2630)

- 5) Requires compliance with PT education requirements, including graduating from an accredited, postsecondary degree program and completing required coursework and an internship in PT, with specific requirements. (BPC § 2650)
- 6) Allows the Board to issue a citation, impose discipline, deny a license, suspend for not more than 12 months, or revoke, or impose probationary conditions upon any license issued under this chapter for unprofessional conduct. (BPC § 2660)
- 7) Allows an applicant to receive a license without a written examination if the applicant is already licensed in another state, district, or territory and the Board agrees the applicant has the licensing requirements equal to or higher than those in California. The applicant also has to have passed a licensing examination comparable to California's examination, graduated from a PT or PTA education program approved by the Board, or met the requirements in BPC Section § 2653 for those who graduate from a PT licensing program not approved by the Board and outside of the United States. (BPC § 2636.5)
- 8) Permits the Board to require an applicant for licensure in California who is already licensed in another state to provide a statement of past work activity. (BPC § 2636.5(b))
- 9) Allows a first-time applicant who has filed a PT application to perform as a PT or PTA between receiving notice the application has been filed and receiving a license as long as the applicant is supervised by a California licensed PT. During this period of time, the applicant shall identify themselves as a "physical therapist license applicant" or "physical therapist assistance license applicant," as appropriate. If the first-time applicant does not qualify and receive a license under this section and does not qualify, the Board may revoke these privileges. An applicant may only qualify once to perform as a PT license applicant or PTA license applicant. (BPC §§ 2636.5; 2639)
- 10) Requires a licensed PT to provide "direct and immediate" supervision of the applicant in order for an applicant to perform as a PT in California while waiting for a license. Direct and immediate means: 1) a supervisor shall at all times be responsible for and provide adequate supervision of the work performed by the applicant, and 2) shall be in close proximity to the location where the applicant is assisting in the provision of PT treatment. (16 CCR § 1399.12)
- 11) Requires any PTA license applicant to document each treatment in a patient record with their signature. A supervising PT shall countersign with his or her first initial and last name in the patient's record on the same day as patient related tasks were provided by the PTA license applicant. A supervising PT will conduct a weekly case conference and document it in the patient record. (16 CCR § 1399.12)
- 12) Requires under the Bagley-Keene Act that the meetings of public bodies and the writings and public officials and agencies must be open to public scrutiny. Additionally, the Act explicitly mandates all California state agencies, boards, and commissions have open meetings. (Government Code (GC) § 11120-111321)

- 13) Requires under the California Public Records Act that all records must be inspected or disclosed to the public upon request. (GC § 6250-6270)
- 14) Allows the state to extend deadlines for certain members of the public who might require more time to participate in the public process. (GC § 11125.7)

This bill:

- 1) Enacts the Compact through which each member state is required to grant a Compact privilege to a PT or PTA holding a license in another state under certain conditions.
- 2) Requires a criminal background check of applicants through the Federal Bureau of Investigation (FBI).
- 3) Authorizes a member state to charge a fee for granting a Compact privilege. Clarifies that the bill would prohibit fees collected by the Board for purposes of granting a Compact privilege from exceeding the cost of administering the privilege under the Compact and would require the fees to be deposited in a Physical Therapy Fund.
- 4) Requires the Board to select a delegate to be a member of the Physical Therapy Compact Commission (Commission), a joint public agency authorized to promulgate uniform rules in accordance with specified rulemaking procedures to implement the compact.
- 5) Authorizes an Executive Board of the Commission to act on behalf of the Commission, and would specify the Executive Board's duties, including recommending changes to fees.
- 6) Authorizes the Commission to levy and collect an annual assessment from each state or impose fees on other parties to cover the costs of the operations and activities of the Commission.
- 7) Outlines different enforcement authority for states where the applicant is a primary license-holder and a "remote state" where the applicant is a privilege-holder.
- 8) Requires that continuing education requirements (CEs) only be met in the state in which an applicant received a primary license.
- 9) Requires particular medical and liability insurance.
- 10) Requires the Board to transmit specified data on licenses to a coordinated database and reporting system maintained by the Commission.
- 11) Specifies that the provisions of the Compact and rules promulgated pursuant to the Compact have the force and effect of state law.
- 12) Voids and makes unenforceable any provisions of the compact if they violate the US Constitution, the CA Constitution, or any state or federal statute or regulation.

- 13) Requires that all disputes with the Compact are heard in a competent court of jurisdiction where the Compact has its principal place of business.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

1. **Purpose.** The Author is the Sponsor of this bill. According to the Author, “[B]y requiring California enter into the Physical Therapist Compact (PT Compact), which is an interstate licensure agreement that provides licensing reciprocity for Physical Therapists (PTs) and Physical Therapist Assistants (PTAs)...PTs and PTAs in other compact states (currently there are 26) would be eligible to practice PT in California, and California’s PTs and PTAs would likewise be eligible to practice in those states.”
2. **Background and Compact Administration.** California PTs are currently regulated by the Board. In order to become licensed to practice, an applicant must complete Board-approved education requirements, take and pass a licensing examination, be fingerprinted for a criminal background check with Department of Justice (DOJ), and submit all required materials to the Board for consideration. After obtaining licensure, the Board requires thirty hours per year of CE. In 1991, the Board adopted the standardized national licensing examination with the recommended standardized passing score. California also developed expedited licensing processes in the last few years to allow those out-of-state applicants to practice in the state.

With a standardized exam format and passing score, an idea like the Physical Therapy Licensure Compact flourished. By joining the Compact, PTs already licensed in one state can gain a privilege to practice in another or multiple compact-member states. In 2016, Oregon became the first state to sign onto joining the Compact. According to the Compact website, today there are twenty states actively operating within the Compact and eight states that have passed legislation to join the Compact. On average, it takes eight to twelve months for a state to join the Compact and begin operation.

The PT Compact has a Commission in charge of its administrative proceedings. The Commission is comprised of one delegate from each state. Each state delegate is selected by the member state’s licensing board. Each delegate is entitled to one vote in proceedings regarding promulgating rules and creating bylaws and will otherwise participate in the business of the Commission. The Commission will meet once a year unless otherwise specified in the bylaws. The Commission also has an Executive Board. That Executive Board is comprised of seven voting members who are elected by the Commission from the Commission’s current membership and two non-voting members. The Executive Board recommends changes to the rules or bylaws of the Commission, changes to this Compact legislation, fees paid by Compact member states such as annual dues, and any commission Compact fee charged to licensees for the compact privilege. The Executive Board also prepares and recommends a budget, maintains financial records on behalf of the

Commission, and monitors Compact compliance of member states and provides compliance reports to the Commission, among other things.

States that join the Compact must follow the Compact's rules. There are a number of key differences between the rules and processes of the Compact and the Board. This means that for California to join the Compact, there are a number of requirements that must be met and changes that must be made.

Changes in Licensing Requirements: Background Checks (FBI v. DOJ). Under current law, California requires all PT applicants to provide a fingerprint at the time of application. An applicant then receives a background check at the time of application through DOJ and the Board is informed of any criminal offenses licensees receive in the future. This is a relatively easy process because all state criminal offenses are recorded by DOJ. The Board in the past has worked with applicants who have a criminal history who, in most cases, were ultimately licensed. For example, in fiscal year 2018-19, 155 of 2,770 applicants had criminal records. 57 of those applicants were out-of-state applicants. Only 2 of the 155 applicants were denied licensure, but both applicants' denials were stayed and both were issued initial probation licenses.

The Compact requires that all privilege holders go through an FBI criminal background check process. The Compact background check procedures differ from California's existing procedures in two ways. First, applicants are only checked once at the time of application for offenses and therefore neither the Compact nor any state where privilege-holders practice is notified of any potential future criminal offenses they might commit. Second, the FBI does not report as many crimes as the DOJ. This is because the National Crime Information Center (NCIC) database is not always consistent in the types or amount of violations that it collects from criminal justice agencies. NCIC relies on criminal justice agencies to input crimes, so if those agencies do not input the information or do not have relevant information for the Board, the Board (and the Commission for that matter) will not know about the potential criminal history of an applicant. Additionally, the Compact's enforcement options described in more detail below do not allow the flexibility for the Board to work with applicants with a criminal background toward licensure as it has done in the past. Therefore, should the Board receive concerning information via the FBI background check about a privilege-holder, the only options to address the situation according to existing Compact language are to remove a licensee's Compact privilege, impose fines, or take "any other necessary actions to protect the health and safety of [the state's] citizens."

Additionally, this background check would provide a two-tiered system for checking criminal history in California applicants: one for applicants who are opting to be licensed in the state using existing state procedures (DOJ), and one for applicants who are opting to practice in the state through the Compact privilege (FBI). This creates an inconsistent standard for evaluating an applicant in California both at the time of application and into the future. The lack of criminal background information for applicants who join the Compact and the lack of enforcement mechanisms provided to the state by the Compact deny the Board an opportunity to work toward licensure with applicants with criminal records as the Board has done in the past. Therefore, out-of-state applicants with criminal backgrounds could be denied

avenues toward licensure that they otherwise could have had if they applied through the existing state licensure process.

Changes in Promulgating Rules and California Representation. The Compact also requires that rules and regulations are promulgated by the Compact Commission, rather than through typical state processes. In a typical state process, a state agency controls what is a reasonable timeframe for public comment and revision before the regulation or rule goes into effect depending on existing circumstances. A state agency also has the ability to extend deadlines for certain members of the public who might require more time to participate in the public process. The Bagley-Keene Act also requires that the meetings of public bodies, writings, and the public officials and agencies must be open to public scrutiny. Additionally, the Act explicitly mandates all California state agencies, boards, and commissions have open meetings. Finally, the Public Records Act requires that all records must be inspected or disclosed to the public upon request. Because California must assimilate to the Compact's rules if it were to join, it is unclear whether or to what extent the requirements and spirit of the Bagley-Keene Act and the Public Records Act will be met.

In the Compact, in order to change rules or regulations the full Commission must meet, allow thirty days for comment, send the proposed amendments to each state for public comment, and vote on each of the rules. The Commission allows for one delegate per state to join with one vote per delegate. However, the body that puts forward these changes, known as the Executive Board, may only have seven elected voting members and two non-voting members. Therefore, given that at least twenty-eight states will be part of the Compact by the time California would join, there is no guarantee that a California state representative can be a part of the Executive Board that will propose changes to rule and bylaws.

Applying for and Receiving a License: How Much Delay in Allowing Work for Out-of-State Applicants? The Compact would provide a privilege to practice within a member state between one day and a few weeks of beginning an application. California already has mechanisms to expedite the approval process of non-state licensed PTs and PTAs within a few weeks.

Additionally, the state also already provides an opportunity for licensed PTs in other states to come to California and immediately begin practicing and earning a paycheck under the supervision of a California-licensed PT while they wait for their applications to process. Supervision must be "direct and immediate": a supervisor must always be responsible for and provide adequate supervision of an applicant's work and be in close proximity to the location where the applicant is assisting in providing PT treatment. If finding a supervisor proves manageable, applicants using the existing state system can immediately practice and receive a paycheck while waiting for a California license. If finding a supervisor proves difficult, an applicant through the Compact may or may not receive their license faster than applicants through the existing state system given that each process could take around a few weeks. Given these existing regulatory options, the argument that joining the Compact will provide more opportunities for licensed non-state PTs to practice quickly in California may or may not be true.

Enforcement. Under current state practices, the Board may take a multitude of actions upon receiving news that a licensee had committed a criminal offense. It can do nothing, issue a citation or probationary orders, or deny licensure, among other actions. In contrast, the language of the Compact states that a “home state shall have exclusive power to impose adverse action against a license issued by the home state.” That means that the Compact believes that the state where the person is originally licensed will handle enforcement. However, the Compact also states that a remote state, or a state that has privilege-holding PT professionals, may “remove a licensee’s compact privilege in the remote state for a specific period of time, impose fines, and/or take any other necessary actions to protect the health and safety of its citizens.” The question remains open as to what actions are considered “necessary” ones that a remote state could take that would qualify as protecting the health and safety of a remote state’s citizens. It is worth noting that enforcement mechanisms would be different for those who are licensed in the state vs. those who hold compact privileges, which could lead to privilege-holders losing licenses rather than the Board having the authority to issue citations or probationary orders.

The Compact also does not specifically address where a case against a licensee should be heard if one is brought. For example, would a suit against a licensee in California have the case heard in California, the state where the PT is originally licensed, or another location? By stating that the Compact has exclusive power to impose adverse action against a license issued in a home state, it might be implied that cases against licensees would be heard in that state. Additionally, the Compact does say that a remote state could issue subpoenas for hearings and investigations into a privilege-holding PT professional, but does not delegate any authority to hear the case to remote states.

The Compact also states that any case would be heard in the venue with its principal place of business, which is in Alexandria, Virginia. In legal proceedings, venue is the location where the lawsuit can be filed and the place where the case can be heard. The Compact states that the venue for any disputes that arise against the Compact will be in the Compact’s principal place of business, which is in Alexandria, Virginia. Should any disputes arise that require legal action against the Compact, those interested in bringing the action will have to go to Virginia. These issues will likely remain if California were to join the Compact unless the Compact were to provide clarity or revision on the subject.

Fees. California currently charges out-of-state applicants who are gaining the ability to practice through California’s expedited licensing process an amount close to in-state-applicants seeking licensure in the state (\$150/yr). The state also requires a small fee for necessary fingerprints for the expedited licensing process. The Compact charges \$45 per member for the privilege of having a Compact privilege with one state, which it states is enough to stay within its budget. Its annual budget is around \$6,000/yr. The Compact says that each state is not required to charge a fee for privilege-holders to join the Compact, but each state could. However, the language of the bill clarifies that the Board could not, for the purposes of granting a privilege, collect fees exceeding the cost of administering a Compact privilege and would require that the fees be deposited in the Physical Therapy Fund. The Compact argues that joining could be a financial benefit to the state for a number of

reasons, even citing removing licensure rather than having the option to engage in other enforcement procedures that would require finances as a potential cost saving. Given the disparity in fees, there is some question as to whether \$45 per member could keep an organization like the Compact going when the Board would likely have to charge its original licensing fee for non-state applicants to cover its existing costs. Additionally, the Compact assesses fees for privilege-holders depending on when an applicant's home state requires payment of licensing fees. For example, California assesses fees biannually, so a California-licensed PT that had a privilege through a Compact would pay all of their fees once every two years.

No Shortage of PTs or PTAs in California. California currently has 16 accredited PT schools in the state, each producing between 50-100 applicants per class. Some PT schools produce two classes per year. This means that each year, between 50-200 applicants for the profession are produced per year, bringing the total number to between 800-3,200 graduates per year. Reports indicate that California needs 1600 PTs and 900 PTA jobs annually. Last year, around 3,000 people applied for licensure as PTs and PTAs in California. 30-40% of those were applicants from out of state. There does not seem to be a shortage in the profession at this time.

Continuing Education Credits. Anyone who joins the Compact will only have to complete continuing education (CE) requirements if that person's licensing state of origin requires it. California requires thirty hours of CE requirements per year, but some states require less. This means that, were California to join the Compact, some privilege-holders licensed in another state might not be required to take as many CE requirements as those who were licensed in California. But those privilege-holders will be able to practice in California.

Liability and Medical Insurance. The Compact states that the process for licensed PTs to get liability coverage remains the same as it would under the existing process in California. The Compact indicated there were initial difficulties in receiving MediCare reimbursement, but that this problem has since been resolved.

Data Privacy. Currently, California uses a secure, encrypted database system to provide data of licensees to the Federation of State Boards of Physical Therapy (the Federation), such as examination scores. The Compact currently also requires Compact states to provide data to the Federation. Should remote states need information about a privilege-holder, they could search this database. It is still unclear how the Compact would ensure consent and data privacy of California-licensed PTs and PTAs who might want to take advantage of privilege-holder status.

3. **Senate Judiciary Committee issues.** This bill raises various issues within the jurisdiction of the Senate Judiciary Committee, including, among others, limited liability, public access to meetings and records, delegation of legislative authority, and privacy. The Senate Judiciary Committee has historically tended to disfavor the types of immunities and limitations on liability that exist within this bill. The Judiciary Committee has also historically disfavored legislation that provides for the sharing of personal information of Californians without adequate protections. This bill appears to require the sharing of personal information, with other states, about licensees without the licensees' affirmative permission. Moreover, the bill would require

California to disclose information about California licensees as determined by the out-of-state Commission and turn over all investigative documents and information requested by another party state. Of particular concern is the provision that provides that “notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this Compact applies as required by the rules of the Commission...”

This bill also contains provisions that will bind California to terms that are established in the future by an out-of-state Commission on which California has very limited representation. Specifically, the Commission, under this Legislation, would have the power to promulgate rules that “shall have the force and effect of law and shall be binding in all member states.” Additionally, the bill provides that the “provisions of the Compact and the rules promulgated hereunder shall have standing as statutory law” and the bill requires that the “executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the Compact’s purposes and intent.” This Commission will also operate outside of California’s open meeting and open records requirements. The Committee may wish to ensure that the open meeting requirements of the Commission must be consistent with the Bagley-Keene Act and public records requirements of the Commission must be consistent with the California Public Records Act. The bill also contains provisions that would prohibit specified future legislation from taking effect until six months after legislation would otherwise be effective, effectively binding a future legislature to the decisions that are made by today’s legislature. (See *County Mobilehome Positive Action Committee v. County of San Diego* (1998) 62 Cal.App.4th 727, 734, “An act of one legislature is not binding upon, and does not tie the hands of future legislatures [citations omitted];” and see *State Bd. of Dry Cleaners v. Thrift-D-Lux Cleaners* (1953) 40 Cal.2d 436, 447 regarding the prohibition against delegation of legislative power.)

4. **Related Legislation This Year.** SB 1053 (Moorlach) enacts the Nurse Licensure Compact which would authorize the Board of Registered Nursing (BRN) to issue a multistate license to practice as a registered nurse and the Board of Vocational Nursing and Psychiatric Technicians (BVNPT) to issue a multistate license to practice as a licensed vocational nurse, in all party states under a multistate licensure privilege and designates the BRN and the BVNPT to alternate as the administrator of the NLC for California. (Status: *This bill will also be heard by the Committee on May 18.*)

AB 3016 (Megan Dahle of 2020) would require the BRN in consultation with the DCA to develop recommendations for the implementation of the Nursys online license verification system, as specified. (Status: *This bill is currently pending in the Assembly Committee on Business and Professions.*)

5. **Arguments in Support.** AMN Healthcare argues that joining the Compact is necessary given an increasingly mobile society, changes to the access and delivery of health care, and changes to the delivery model of education. AMN believes that the Compact will allow patients access to needed PT services while also encouraging greater protection and provider accountability, and fostering a 21st century model for healthcare delivery.

The California Association of Health Facilities argues for California to join the Compact because more PTs and PTAs would help meet rising demand for such professionals in aging populations. It would also provide patients with a wider pool of applicants that might provide more opportunities for specialized care.

According to the California Association of Health Services at Home, this policy will increase the number of PTs and PTAs in California, a policy it has long supported. This is particularly the case now given the expanding aging population.

The California Defense Communities Alliance believes that California joining the Compact will facilitate access to the profession particularly for military spouses who are stationed in the state.

According to the California Hospital Association, the bill would reduce “costs for hospitals and interstate health care systems by easing the administrative and financial barriers associated with multi-state practice. It would also improve educational opportunities, as virtual education and visiting instructors could be utilized as part of a physical therapy curriculum.”

The California Physical Therapy Association argues that a health manpower shortage in physical therapy professionals will be solved by California joining the Compact. It also argues that joining the Compact will improve access to PT services, increase choice of PT providers, and facilitate alternative methods of delivery of services such as telehealth.

CORE Rehabilitation Services, Inc. writes that California should join the Compact because the Compact would provide an opportunity for the company to expand outside of California and place physical therapy professionals in other states.

According to the Department of Defense, California should join the Compact because it would more quickly allow military spouses in the profession to gain licensure and begin working and earning a paycheck. The department also believes joining the Compact would improve continuity of care, improve access to and provide more choice of physical therapy providers, and facilitate telehealth and other alternative healthcare delivery methods.

KPG Healthcare argues that California should join the Compact for increased availability of quality physical therapy professionals in the state to meet the increased needs of all, including an increased aging population. It will also provide additional telehealth opportunities.

OCHIN, California Telehealth Network believes that California joining the Compact will increase the mobility of its physical therapy community. It argues the Compact will also increase opportunities for California licensees by allowing them the ability to be licensed in other Compact states, work via telehealth, and potentially work as visiting instructors or otherwise participate in new virtual education models and platforms.

The San Diego Military Advisory Council argues for California to join the Compact to reduce licensing challenges of military spouses since these challenges are the top contributor to military spousal unemployment.

6. Policy Issues for Consideration.

Data Privacy and Consent. While California and the Compact use the same secure, encrypted system and report information to the Federation, there is nothing that says that currently California licensee information is searchable by other states within that database. As described above, the Compact assumes that all privilege-holders are comfortable with sharing their licensing information with other states, or this is at least a cost of joining the Compact. If addressed with informed consent options and alternatives, this does not have to be the case. Given that California has some of the strongest privacy laws in the country, it is important to consider alternatives that will allow licensees to keep sensitive information private if they so choose.

Sunset Review Oversight. The Board is subject to the Legislature's sunset review oversight process which, through public hearings and materials, allows for an evaluation of each program and a comprehensive means by which to make necessary changes to board operations and the regulation of the profession. The Board will be reviewed by the Legislature in the near future.

There is a strong argument that this idea is better assessed during the sunset review process because it questions the very structure and functionality of the Board and PT professional licensing process. Topics for discussion typically include an evaluation and assessment of any changes that need to be made to agency process, including: licensing requirements, CEs, enforcement, rule changes, fees, renewals, and other administrative tasks.

Almost all of these topics are ripe for discussion with SB 1054. Are background checks conducted through the FBI and not DOJ, combined with the lack of enforcement options for remote states, going to leave California with fewer options to work toward licensure for those with criminal backgrounds just when the state has a track record of helping these applicants? Will the requirements of Bagley-Keene and the Public Records Act be met if California were to join the Compact, and will California have enough of a say in the changes the Compact decides to make in the future? Do the existing supervision and expedited processes for receiving licenses from out-of-state applicants adequately allow for entering and quickly having the ability to practice within the state? How should the disparity in fees between those collected by California and the Compact be addressed? Does it matter that there does not appear to be a workforce shortage of PTs and PTAs in the state? How should the lack in consistency of CEs between California-licensed PTs and privilege-holder PTs?

Even the Author's main arguments for the bill focuses on issues related to sunset review. He argues that: the current licensing system is based on antiquated model where applicants go to school, become licensed in one state, and practice in that state for their lives, whereas the Compact is a way to provide more mobility and practice opportunity between states; allowing more PTs into the state will increase

the provided quality of care; the Compact will immediately allow those like military spouses and traveling PTs and PTAs to work six- to eighteen-month jobs in rural areas where clinics and hospitals need more people to work; joining the Compact will reduce costs for hospitals and interstate healthcare systems by easing the administrative financial barriers associated with multi-state practice; mobility will also increase virtual educational opportunities. These are all issues that at their heart ask the question, "Is the current system working? Or is it time to make a change?"

Because these issues review and question the current structure of the Board itself, because there are a number of programmatic issues listed above to analyze, and because doing so through the sunset review process will provide more time to fully consider these issues, it is strongly advisable to discuss this conversation during the Board's next sunset review.

SUPPORT AND OPPOSITION:

Support:

AMN Healthcare
California Association of Health Facilities
California Association for Health Services at Home
California Hospital Association
California Telehealth Network (OCHIN)
California Defense Community Alliance (San Diego Military Advisory Council, Monterey Bay Defense Alliance, Beale Military Liaison Council, China Lake Alliance, Regional Defense Partnership for the 21st Century)
CORE Rehabilitation Staffing
California Physical Therapists Association
Department of Defense
KPG Healthcare
242 Individuals

Opposition:

None on file

-- END -



SB-1053 Licensed registered nurses and licensed vocational nurses: Nurse Licensure Compact. (2019-2020)

SHARE THIS:  

Date Published: 05/13/2020 09:00 PM

AMENDED IN SENATE MAY 13, 2020

AMENDED IN SENATE APRIL 09, 2020

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

SENATE BILL

NO. 1053

Introduced by Senator Moorlach

February 18, 2020

An act to add ~~Article 1.5 (commencing with Section 2720) to Chapter 6 of~~ *Chapter 6.3 (commencing with Section 2839)* to Division 2 of the Business and Professions Code, relating to healing arts.

LEGISLATIVE COUNSEL'S DIGEST

SB 1053, as amended, Moorlach. Licensed registered nurses and licensed vocational nurses: Nurse Licensure Compact.

Existing law, the Nursing Practice Act, provides for the licensure and regulation of the practice of nursing by the Board of Registered Nursing. The Vocational Nursing Practice Act provides for the licensure and regulation of vocational nurses by the Board of Vocational Nursing and Psychiatric Technicians of the State of California. The Nursing Practice Act establishes the Board of Registered Nursing ~~Fund.~~ *Fund and the Vocational Nursing Practice Act establishes the Vocational Nursing and Psychiatric Technicians Fund.*

This bill would enact the Nurse Licensure Compact, under which the Board of Registered Nursing *and the Board of Vocational Nursing and Psychiatric Technicians* would be authorized to issue a multistate license that would authorize the holder to practice as a registered nurse or a licensed vocational nurse, as applicable, in all party states under a multistate licensure privilege, as specified. The bill would designate the Board of Registered Nursing as the licensing board for *registered nurses* for purposes of the compact and *would designate the Board of Vocational Nursing and Psychiatric Technicians as the licensing board for vocational nurses for purposes of the compact.* The bill would require the ~~board boards~~ to participate in a coordinated licensure information system that would include all of the licensure and disciplinary history of all licensed registered nurses and licensed vocational nurses. The bill would provide that the ~~president of the~~ Board of Registered Nursing *and the Board of Vocational Nursing and Psychiatric Technicians* shall ~~be alternate as~~ the administrator of the compact for the state and ~~shall be a member as members~~ of an entity known as the Interstate Commission of Nurse Licensure Compact Administrators. The bill would authorize the commission to adopt rules that have the force and effect of law. The bill would prohibit fees collected by the Board of Registered Nursing *or the Board of Vocational Nursing and Psychiatric Technicians* for purposes of granting a multistate license pursuant to the bill from exceeding the

cost of administering that multistate license under the compact and would require those fees to be deposited in the Board of Registered Nursing ~~Fund~~. *Fund or the Board of Vocational Nursing and Psychiatric Technicians Fund, as applicable.*

By authorizing out-of-state licensees to practice in this state under the multistate compact privilege created by the bill, the bill would expand the scope of the criminal provisions of the Nursing Practice Act and Vocational Nursing Practice Act, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

~~SECTION 1. Article 1.5 (commencing with Section 2720) is added to Chapter 6 of Division 2 of the Business and Professions Code, to read:~~

~~1.5. Nurse Licensure Compact~~

~~2720. The Nurse Licensure Compact is hereby enacted into law with all other participating states.~~

~~2721. (a) The Board of Registered Nursing is hereby designated as the licensing entity for purposes of the compact.~~

~~(b) The president of the Board of Registered Nursing shall be the administrator of the compact for the state.~~

~~2722. If any provision in the compact is contrary to the United States Constitution or the California Constitution, or conflicts with any state or federal statute or regulation, the provision is void and unenforceable.~~

~~2723. The provisions of the Nurse Licensure Compact are as follows:~~

Findings and Declaration of Purpose

~~a. The party states find that:~~

~~1. The health and safety of the public are affected by the degree of compliance with and the effectiveness of enforcement activities related to state nurse licensure laws;~~

~~2. Violations of nurse licensure and other laws regulating the practice of nursing may result in injury or harm to the public;~~

~~3. The expanded mobility of nurses and the use of advanced communication technologies as part of our nation's health care delivery system require greater coordination and cooperation among states in the areas of nurse licensure and regulation;~~

~~4. New practice modalities and technology make compliance with individual state nurse licensure laws difficult and complex;~~

~~5. The current system of duplicative licensure for nurses practicing in multiple states is cumbersome and redundant for both nurses and states; and~~

~~6. Uniformity of nurse licensure requirements throughout the states promotes public safety and public health benefits.~~

~~b. The general purposes of this Compact are to:~~

~~1. Facilitate the states' responsibility to protect the public's health and safety;~~

~~2. Ensure and encourage the cooperation of party states in the areas of nurse licensure and regulation;~~

- ~~3. Facilitate the exchange of information between party states in the areas of nurse regulation, investigation and adverse actions;~~
- ~~4. Promote compliance with the laws governing the practice of nursing in each jurisdiction;~~
- ~~5. Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses;~~
- ~~6. Decrease redundancies in the consideration and issuance of nurse licenses; and~~
- ~~7. Provide opportunities for interstate practice by nurses who meet uniform licensure requirements.~~

ARTICLE II

Definitions

As used in this Compact:

- ~~a. "Adverse action" means any administrative, civil, equitable or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against a nurse, including actions against an individual's license or multistate licensure privilege such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a nurse's authorization to practice, including issuance of a cease and desist action.~~
- ~~b. "Alternative program" means a non-disciplinary monitoring program approved by a licensing board.~~
- ~~c. "Coordinated licensure information system" means an integrated process for collecting, storing and sharing information on nurse licensure and enforcement activities related to nurse licensure laws that is administered by a nonprofit organization composed of and controlled by licensing boards.~~
- ~~d. "Current significant investigative information" means:~~
 - ~~1. Investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or~~
 - ~~2. Investigative information that indicates that the nurse represents an immediate threat to public health and safety regardless of whether the nurse has been notified and had an opportunity to respond.~~
- ~~e. "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of nursing imposed by a licensing board.~~
- ~~f. "Home state" means the party state which is the nurse's primary state of residence.~~
- ~~g. "Licensing board" means a party state's regulatory body responsible for issuing nurse licenses.~~
- ~~h. "Multistate license" means a license to practice as a registered or a licensed practical/vocational nurse (LPN/VN) issued by a home state licensing board that authorizes the licensed nurse to practice in all party states under a multistate licensure privilege.~~
- ~~i. "Multistate licensure privilege" means a legal authorization associated with a multistate license permitting the practice of nursing as either a registered nurse (RN) or LPN/VN in a remote state.~~
- ~~j. "Nurse" means RN or LPN/VN, as those terms are defined by each party state's practice laws.~~
- ~~k. "Party state" means any state that has adopted this Compact.~~
- ~~l. "Remote state" means a party state, other than the home state.~~
- ~~m. "Single state license" means a nurse license issued by a party state that authorizes practice only within the issuing state and does not include a multistate licensure privilege to practice in any other party state.~~
- ~~n. "State" means a state, territory or possession of the United States and the District of Columbia.~~

~~o. "State practice laws" means a party state's laws, rules and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. "State practice laws" do not include requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.~~

ARTICLE III

General Provisions and Jurisdiction

~~a. A multistate license to practice registered or licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as a registered nurse (RN) or as a licensed practical/vocational nurse (LPN/VN), under a multistate licensure privilege, in each party state.~~

~~b. A state must implement procedures for considering the criminal history records of applicants for initial multistate license or licensure by endorsement. Such procedures shall include the submission of fingerprints or other biometric based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.~~

~~c. Each party state shall require the following for an applicant to obtain or retain a multistate license in the home state:~~

~~1. Meets the home state's qualifications for licensure or renewal of licensure, as well as, all other applicable state laws;~~

~~2. i. Has graduated or is eligible to graduate from a licensing board approved RN or LPN/VN prelicensure education program; or~~

~~ii. Has graduated from a foreign RN or LPN/VN prelicensure education program that (a) has been approved by the authorized accrediting body in the applicable country and (b) has been verified by an independent credentials review agency to be comparable to a licensing board approved prelicensure education program;~~

~~3. Has, if a graduate of a foreign prelicensure education program not taught in English or if English is not the individual's native language, successfully passed an English proficiency examination that includes the components of reading, speaking, writing and listening;~~

~~4. Has successfully passed an NCLEX-RN® or NCLEX-PN® Examination or recognized predecessor, as applicable;~~

~~5. Is eligible for or holds an active, unencumbered license;~~

~~6. Has submitted, in connection with an application for initial licensure or licensure by endorsement, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;~~

~~7. Has not been convicted or found guilty, or has entered into an agreed disposition, of a felony offense under applicable state or federal criminal law;~~

~~8. Has not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case by case basis;~~

~~9. Is not currently enrolled in an alternative program;~~

~~10. Is subject to self disclosure requirements regarding current participation in an alternative program; and~~

~~11. Has a valid United States Social Security number.~~

~~d. All party states shall be authorized, in accordance with existing state due process law, to take adverse action against a nurse's multistate licensure privilege such as revocation, suspension, probation or any other action that affects a nurse's authorization to practice under a multistate licensure privilege, including cease and desist actions. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.~~

~~e. A nurse practicing in a party state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of nursing is not limited to patient care, but shall include all nursing practice as defined by the state practice laws of the party state in which the client is located. The practice of nursing in a party state under a multistate licensure privilege will subject a nurse to the jurisdiction of the licensing board, the courts and the laws of the party state in which the client is located at the time service is provided.~~

~~f. Individuals not residing in a party state shall continue to be able to apply for a party state's single state license as provided under the laws of each party state. However, the single state license granted to these individuals will not be recognized as granting the privilege to practice nursing in any other party state. Nothing in this Compact shall affect the requirements established by a party state for the issuance of a single state license.~~

~~g. Any nurse holding a home state multistate license, on the effective date of this Compact, may retain and renew the multistate license issued by the nurse's then-current home state, provided that:~~

~~1. A nurse, who changes primary state of residence after this Compact's effective date, must meet all applicable Article III.c. requirements to obtain a multistate license from a new home state.~~

~~2. A nurse who fails to satisfy the multistate licensure requirements in Article III.c. due to a disqualifying event occurring after this Compact's effective date shall be ineligible to retain or renew a multistate license, and the nurse's multistate license shall be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators ("Commission").~~

ARTICLE IV

Applications for Licensure in a Party State

~~a. Upon application for a multistate license, the licensing board in the issuing party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege held by the applicant and whether the applicant is currently participating in an alternative program:~~

~~b. A nurse may hold a multistate license, issued by the home state, in only one party state at a time:~~

~~c. If a nurse changes primary state of residence by moving between two party states, the nurse must apply for licensure in the new home state, and the multistate license issued by the prior home state will be deactivated in accordance with applicable rules adopted by the Commission:~~

~~1. The nurse may apply for licensure in advance of a change in primary state of residence:~~

~~2. A multistate license shall not be issued by the new home state until the nurse provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a multistate license from the new home state:~~

~~d. If a nurse changes primary state of residence by moving from a party state to a non party state, the multistate license issued by the prior home state will convert to a single state license, valid only in the former home state:~~

ARTICLE V

Additional Authorities Invested in Party State Licensing Boards

~~a. In addition to the other powers conferred by state law, a licensing board shall have the authority to:~~

~~1. Take adverse action against a nurse's multistate licensure privilege to practice within that party state:~~

~~i. Only the home state shall have the power to take adverse action against a nurse's license issued by the home state:~~

~~ii. For purposes of taking adverse action, the home state licensing board shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.~~

~~2. Issue cease and desist orders or impose an encumbrance on a nurse's authority to practice within that party state.~~

~~3. Complete any pending investigations of a nurse who changes primary state of residence during the course of such investigations. The licensing board shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of such investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions.~~

~~4. Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, as well as, the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located.~~

~~5. Obtain and submit, for each nurse licensure applicant, fingerprint or other biometric-based information to the Federal Bureau of Investigation for criminal background checks, receive the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions.~~

~~6. If otherwise permitted by state law, recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse.~~

~~7. Take adverse action based on the factual findings of the remote state, provided that the licensing board follows its own procedures for taking such adverse action.~~

~~b. If adverse action is taken by the home state against a nurse's multistate license, the nurse's multistate licensure privilege to practice in all other party states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders that impose adverse action against a nurse's multistate license shall include a statement that the nurse's multistate licensure privilege is deactivated in all party states during the pendency of the order.~~

~~c. Nothing in this Compact shall override a party state's decision that participation in an alternative program may be used in lieu of adverse action. The home state licensing board shall deactivate the multistate licensure privilege under the multistate license of any nurse for the duration of the nurse's participation in an alternative program.~~

ARTICLE VI

Coordinated Licensure Information System and Exchange of Information

~~a. All party states shall participate in a coordinated licensure information system of all licensed registered nurses (RNs) and licensed practical/vocational nurses (LPNs/VNs). This system will include information on the licensure and disciplinary history of each nurse, as submitted by party states, to assist in the coordination of nurse licensure and enforcement efforts.~~

~~b. The Commission, in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection and exchange of information under this Compact.~~

~~c. All licensing boards shall promptly report to the coordinated licensure information system any adverse action, any current significant investigative information, denials of applications (with the reasons for such denials) and nurse participation in alternative programs known to the licensing board regardless of whether such participation is deemed nonpublic or confidential under state law.~~

~~d. Current significant investigative information and participation in nonpublic or confidential alternative programs shall be transmitted through the coordinated licensure information system only to party state licensing boards.~~

~~e. Notwithstanding any other provision of law, all party state licensing boards contributing information to the coordinated licensure information system may designate information that may not be shared with non-party states or disclosed to other entities or individuals without the express permission of the contributing state.~~

~~f. Any personally identifiable information obtained from the coordinated licensure information system by a party state licensing board shall not be shared with non-party states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.~~

~~g. Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.~~

~~h. The Compact administrator of each party state shall furnish a uniform data set to the Compact administrator of each other party state, which shall include, at a minimum:~~

~~1. Identifying information;~~

~~2. Licensure data;~~

~~3. Information related to alternative program participation; and~~

~~4. Other information that may facilitate the administration of this Compact, as determined by Commission rules.~~

~~i. The Compact administrator of a party state shall provide all investigative documents and information requested by another party state.~~

ARTICLE VII

Establishment of the Interstate Commission of Nurse Licensure Compact Administrators

~~a. The party states hereby create and establish a joint public entity known as the Interstate Commission of Nurse Licensure Compact Administrators:~~

~~1. The Commission is an instrumentality of the party states.~~

~~2. Venue is proper, and judicial proceedings by or against the Commission shall be brought solely and exclusively, in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.~~

~~3. Nothing in this Compact shall be construed to be a waiver of sovereign immunity.~~

b. Membership, Voting and Meetings

~~1. Each party state shall have and be limited to one administrator. The head of the state licensing board or designee shall be the administrator of this Compact for each party state. Any administrator may be removed or suspended from office as provided by the law of the state from which the Administrator is appointed. Any vacancy occurring in the Commission shall be filled in accordance with the laws of the party state in which the vacancy exists.~~

~~2. Each administrator shall be entitled to one (1) vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission. An administrator shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for an administrator's participation in meetings by telephone or other means of communication.~~

~~3. The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws or rules of the commission.~~

~~4. All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Article VIII.~~

~~5. The Commission may convene in a closed, nonpublic meeting if the Commission must discuss:~~

- ~~i. Noncompliance of a party state with its obligations under this Compact;~~
- ~~ii. The employment, compensation, discipline or other personnel matters, practices or procedures related to specific employees or other matters related to the Commission's internal personnel practices and procedures;~~
- ~~iii. Current, threatened or reasonably anticipated litigation;~~
- ~~iv. Negotiation of contracts for the purchase or sale of goods, services or real estate;~~
- ~~v. Accusing any person of a crime or formally censuring any person;~~
- ~~vi. Disclosure of trade secrets or commercial or financial information that is privileged or confidential;~~
- ~~vii. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;~~
- ~~viii. Disclosure of investigatory records compiled for law enforcement purposes;~~
- ~~ix. Disclosure of information related to any reports prepared by or on behalf of the Commission for the purpose of investigation of compliance with this Compact; or~~
- ~~x. Matters specifically exempted from disclosure by federal or state statute.~~

~~6. If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision. The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefor, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission or order of a court of competent jurisdiction.~~

~~c. The Commission shall, by a majority vote of the administrators, prescribe bylaws or rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of this Compact, including but not limited to:~~

- ~~1. Establishing the fiscal year of the Commission;~~
 - ~~2. Providing reasonable standards and procedures:~~
 - ~~i. For the establishment and meetings of other committees; and~~
 - ~~ii. Governing any general or specific delegation of any authority or function of the Commission;~~
 - ~~3. Providing reasonable procedures for calling and conducting meetings of the Commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of such meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals, and proprietary information, including trade secrets. The Commission may meet in closed session only after a majority of the administrators vote to close a meeting in whole or in part. As soon as practicable, the Commission must make public a copy of the vote to close the meeting revealing the vote of each administrator, with no proxy votes allowed;~~
 - ~~4. Establishing the titles, duties and authority and reasonable procedures for the election of the officers of the Commission;~~
 - ~~5. Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the Commission. Notwithstanding any civil service or other similar laws of any party state, the bylaws shall exclusively govern the personnel policies and programs of the Commission; and~~
 - ~~6. Providing a mechanism for winding up the operations of the Commission and the equitable disposition of any surplus funds that may exist after the termination of this Compact after the payment or reserving of all of its debts and obligations;~~
- ~~d. The Commission shall publish its bylaws and rules, and any amendments thereto, in a convenient form on the website of the Commission.~~

~~e. The Commission shall maintain its financial records in accordance with the bylaws.~~

~~f. The Commission shall meet and take such actions as are consistent with the provisions of this Compact and the bylaws.~~

~~g. The Commission shall have the following powers:~~

~~1. To promulgate uniform rules to facilitate and coordinate implementation and administration of this Compact. The rules shall have the force and effect of law and shall be binding in all party states;~~

~~2. To bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any licensing board to sue or be sued under applicable law shall not be affected;~~

~~3. To purchase and maintain insurance and bonds;~~

~~4. To borrow, accept or contract for services of personnel, including, but not limited to, employees of a party state or nonprofit organizations;~~

~~5. To cooperate with other organizations that administer state compacts related to the regulation of nursing, including but not limited to sharing administrative or staff expenses, office space or other resources;~~

~~6. To hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this Compact, and to establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel and other related personnel matters;~~

~~7. To accept any and all appropriate donations, grants and gifts of money, equipment, supplies, materials and services, and to receive, utilize and dispose of the same; provided that at all times the Commission shall avoid any appearance of impropriety or conflict of interest;~~

~~8. To lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve or use, any property, whether real, personal or mixed; provided that at all times the Commission shall avoid any appearance of impropriety;~~

~~9. To sell, convey, mortgage, pledge, lease, exchange, abandon or otherwise dispose of any property, whether real, personal or mixed;~~

~~10. To establish a budget and make expenditures;~~

~~11. To borrow money;~~

~~12. To appoint committees, including advisory committees comprised of administrators, state nursing regulators, state legislators or their representatives, and consumer representatives, and other such interested persons;~~

~~13. To provide and receive information from, and to cooperate with, law enforcement agencies;~~

~~14. To adopt and use an official seal; and~~

~~15. To perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact consistent with the state regulation of nurse licensure and practice.~~

~~h. Financing of the Commission~~

~~1. The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization and ongoing activities.~~

~~2. The Commission may also levy on and collect an annual assessment from each party state to cover the cost of its operations, activities and staff in its annual budget as approved each year. The aggregate annual assessment amount, if any, shall be allocated based upon a formula to be determined by the Commission, which shall promulgate a rule that is binding upon all party states.~~

~~3. The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the party states, except by, and with the authority of, such party state.~~

~~4. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its~~

bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

i. Qualified Immunity, Defense and Indemnification

1. The administrators, officers, executive director, employees and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of Commission employment, duties or responsibilities, provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury or liability caused by the intentional, willful or wanton misconduct of that person.

2. The Commission shall defend any administrator, officer, executive director, employee or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further that the actual or alleged act, error or omission did not result from that person's intentional, willful or wanton misconduct.

3. The Commission shall indemnify and hold harmless any administrator, officer, executive director, employee or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities, provided that the actual or alleged act, error or omission did not result from the intentional, willful or wanton misconduct of that person.

ARTICLE VIII

Rulemaking

a. The Commission shall exercise its rulemaking powers pursuant to the criteria set forth in this Article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment and shall have the same force and effect as provisions of this Compact.

b. Rules or amendments to the rules shall be adopted at a regular or special meeting of the Commission.

c. Prior to promulgation and adoption of a final rule or rules by the Commission, and at least sixty (60) days in advance of the meeting at which the rule will be considered and voted upon, the Commission shall file a notice of proposed rulemaking:

1. On the website of the Commission; and

2. On the website of each licensing board or the publication in which each state would otherwise publish proposed rules.

d. The notice of proposed rulemaking shall include:

1. The proposed time, date and location of the meeting in which the rule will be considered and voted upon;

2. The text of the proposed rule or amendment, and the reason for the proposed rule;

3. A request for comments on the proposed rule from any interested person; and

4. The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

e. Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions and arguments, which shall be made available to the public.

f. The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment.

~~g. The Commission shall publish the place, time and date of the scheduled public hearing:~~

~~1. Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings will be recorded, and a copy will be made available upon request:~~

~~2. Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section:~~

~~h. If no one appears at the public hearing, the Commission may proceed with promulgation of the proposed rule:~~

~~i. Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission shall consider all written and oral comments received:~~

~~j. The Commission shall, by majority vote of all administrators, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule:~~

~~k. Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice, opportunity for comment or hearing, provided that the usual rulemaking procedures provided in this Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than ninety (90) days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:~~

~~1. Meet an imminent threat to public health, safety or welfare;~~

~~2. Prevent a loss of Commission or party state funds; or~~

~~3. Meet a deadline for the promulgation of an administrative rule that is required by federal law or rule:~~

~~l. The Commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of thirty (30) days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing, and delivered to the Commission, prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission:~~

~~ARTICLE IX~~

~~Oversight, Dispute Resolution and Enforcement~~

~~a. Oversight~~

~~1. Each party state shall enforce this Compact and take all actions necessary and appropriate to effectuate this Compact's purposes and intent:~~

~~2. The Commission shall be entitled to receive service of process in any proceeding that may affect the powers, responsibilities or actions of the Commission, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process in such proceeding to the Commission shall render a judgment or order void as to the Commission, this Compact or promulgated rules:~~

~~b. Default, Technical Assistance and Termination~~

~~1. If the Commission determines that a party state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall:~~

~~i. Provide written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default or any other action to be taken by the Commission; and~~

~~ii. Provide remedial training and specific technical assistance regarding the default:~~

~~2. If a state in default fails to cure the default, the defaulting state's membership in this Compact may be terminated upon an affirmative vote of a majority of the administrators, and all rights, privileges and benefits~~

~~conferred by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.~~

~~3. Termination of membership in this Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor of the defaulting state and to the executive officer of the defaulting state's licensing board and each of the party states.~~

~~4. A state whose membership in this Compact has been terminated is responsible for all assessments, obligations and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.~~

~~5. The Commission shall not bear any costs related to a state that is found to be in default or whose membership in this Compact has been terminated unless agreed upon in writing between the Commission and the defaulting state.~~

~~6. The defaulting state may appeal the action of the Commission by petitioning the U.S. District Court for the District of Columbia or the federal district in which the Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.~~

~~c. Dispute Resolution~~

~~1. Upon request by a party state, the Commission shall attempt to resolve disputes related to the Compact that arise among party states and between party and non-party states.~~

~~2. The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate.~~

~~3. In the event the Commission cannot resolve disputes among party states arising under this Compact:~~

~~i. The party states may submit the issues in dispute to an arbitration panel, which will be comprised of individuals appointed by the Compact administrator in each of the affected party states and an individual mutually agreed upon by the Compact administrators of all the party states involved in the dispute.~~

~~ii. The decision of a majority of the arbitrators shall be final and binding.~~

~~d. Enforcement~~

~~1. The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this Compact.~~

~~2. By majority vote, the Commission may initiate legal action in the U.S. District Court for the District of Columbia or the federal district in which the Commission has its principal offices against a party state that is in default to enforce compliance with the provisions of this Compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.~~

~~3. The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or state law.~~

ARTICLE X

Effective Date, Withdrawal and Amendment

~~a. This Compact shall become effective and binding on the earlier of the date of legislative enactment of this Compact into law by no less than twenty-six (26) states or December 31, 2018. All party states to this Compact, that also were parties to the prior Nurse Licensure Compact, superseded by this Compact, ("Prior Compact"), shall be deemed to have withdrawn from said Prior Compact within six (6) months after the effective date of this Compact.~~

~~b. Each party state to this Compact shall continue to recognize a nurse's multistate licensure privilege to practice in that party state issued under the Prior Compact until such party state has withdrawn from the Prior Compact.~~

~~c. Any party state may withdraw from this Compact by enacting a statute repealing the same. A party state's withdrawal shall not take effect until six (6) months after enactment of the repealing statute.~~

~~d. A party state's withdrawal or termination shall not affect the continuing requirement of the withdrawing or terminated state's licensing board to report adverse actions and significant investigations occurring prior to the effective date of such withdrawal or termination.~~

~~e. Nothing contained in this Compact shall be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a non-party state that is made in accordance with the other provisions of this Compact.~~

~~f. This Compact may be amended by the party states. No amendment to this Compact shall become effective and binding upon the party states unless and until it is enacted into the laws of all party states.~~

~~g. Representatives of non party states to this Compact shall be invited to participate in the activities of the Commission, on a nonvoting basis, prior to the adoption of this Compact by all states.~~

~~ARTICLE XI~~

~~Construction and Severability~~

~~This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable, and if any phrase, clause, sentence or provision of this Compact is declared to be contrary to the constitution of any party state or of the United States, or if the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Compact shall be held to be contrary to the constitution of any party state, this Compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.~~

~~2724. Fees collected by the Board of Registered Nursing for purposes of granting a multistate license pursuant to Section 2723 shall not exceed the cost of administering that multistate license under the compact and shall be deposited in the Board of Registered Nursing Fund established pursuant to Section 2010.~~

ARTICLE I

SECTION 1. Chapter 6.3 (commencing with Section 2839) is added to Division 2 of the Business and Professions Code, to read:

CHAPTER 6.3 Nurse Licensure Compact

2839. The Nurse Licensure Compact is hereby enacted into law with all other participating states.

2839.1. (a) The Board of Registered Nursing is hereby designated as the licensing entity for registered nurses for purposes of the compact and the Board of Vocational Nursing and Psychiatric Technicians is hereby designated as the licensing entity for vocational nurses for purposes of the compact.

(b) The Board of Registered Nursing and the Board of Licensed Vocational Nursing and Psychiatric Technicians shall alternate as administrators of the compact for the state.

2839.2. If any provision in the compact is contrary to the United States Constitution or the California Constitution, or conflicts with any state or federal statute or regulation, the provision is void and unenforceable.

2839.3. The provisions of the Nurse Licensure Compact are as follows:

ARTICLE I

Findings and Declaration of Purpose

a. The party states find that:

- 1. The health and safety of the public are affected by the degree of compliance with and the effectiveness of enforcement activities related to state nurse licensure laws;*
- 2. Violations of nurse licensure and other laws regulating the practice of nursing may result in injury or harm to the public;*
- 3. The expanded mobility of nurses and the use of advanced communication technologies as part of our nation's health care delivery system require greater coordination and cooperation among states in the areas of nurse licensure and regulation;*
- 4. New practice modalities and technology make compliance with individual state nurse licensure laws difficult and complex;*
- 5. The current system of duplicative licensure for nurses practicing in multiple states is cumbersome and redundant for both nurses and states; and*
- 6. Uniformity of nurse licensure requirements throughout the states promotes public safety and public health benefits.*

b. The general purposes of this Compact are to:

- 1. Facilitate the states' responsibility to protect the public's health and safety;*
- 2. Ensure and encourage the cooperation of party states in the areas of nurse licensure and regulation;*
- 3. Facilitate the exchange of information between party states in the areas of nurse regulation, investigation and adverse actions;*
- 4. Promote compliance with the laws governing the practice of nursing in each jurisdiction;*
- 5. Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses;*
- 6. Decrease redundancies in the consideration and issuance of nurse licenses; and*
- 7. Provide opportunities for interstate practice by nurses who meet uniform licensure requirements.*

ARTICLE II

Definitions

As used in this Compact:

- a. "Adverse action" means any administrative, civil, equitable or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against a nurse, including actions against an individual's license or multistate licensure privilege such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a nurse's authorization to practice, including issuance of a cease and desist action.*
- b. "Alternative program" means a non-disciplinary monitoring program approved by a licensing board.*
- c. "Coordinated licensure information system" means an integrated process for collecting, storing and sharing information on nurse licensure and enforcement activities related to nurse licensure laws that is administered by a nonprofit organization composed of and controlled by licensing boards.*
- d. "Current significant investigative information" means:*
 - 1. Investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or*

2. Investigative information that indicates that the nurse represents an immediate threat to public health and safety regardless of whether the nurse has been notified and had an opportunity to respond.

e. "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of nursing imposed by a licensing board.

f. "Home state" means the party state which is the nurse's primary state of residence.

g. "Licensing board" means a party state's regulatory body responsible for issuing nurse licenses.

h. "Multistate license" means a license to practice as a registered or a licensed practical/vocational nurse (LPN/VN) issued by a home state licensing board that authorizes the licensed nurse to practice in all party states under a multistate licensure privilege.

i. "Multistate licensure privilege" means a legal authorization associated with a multistate license permitting the practice of nursing as either a registered nurse (RN) or LPN/VN in a remote state.

j. "Nurse" means RN or LPN/VN, as those terms are defined by each party state's practice laws.

k. "Party state" means any state that has adopted this Compact.

l. "Remote state" means a party state, other than the home state.

m. "Single-state license" means a nurse license issued by a party state that authorizes practice only within the issuing state and does not include a multistate licensure privilege to practice in any other party state.

n. "State" means a state, territory or possession of the United States and the District of Columbia.

o. "State practice laws" means a party state's laws, rules and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. "State practice laws" do not include requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.

ARTICLE III

General Provisions and Jurisdiction

a. A multistate license to practice registered or licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as a registered nurse (RN) or as a licensed practical/vocational nurse (LPN/VN), under a multistate licensure privilege, in each party state.

b. A state must implement procedures for considering the criminal history records of applicants for initial multistate license or licensure by endorsement. Such procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

c. Each party state shall require the following for an applicant to obtain or retain a multistate license in the home state:

1. Meets the home state's qualifications for licensure or renewal of licensure, as well as, all other applicable state laws;

2. i. Has graduated or is eligible to graduate from a licensing board-approved RN or LPN/VN prelicensure education program; or

ii. Has graduated from a foreign RN or LPN/VN prelicensure education program that (a) has been approved by the authorized accrediting body in the applicable country and (b) has been verified by an independent credentials review agency to be comparable to a licensing board-approved prelicensure education program;

3. Has, if a graduate of a foreign prelicensure education program not taught in English or if English is not the individual's native language, successfully passed an English proficiency examination that includes the components of reading, speaking, writing and listening;

- 4. Has successfully passed an NCLEX-RN® or NCLEX-PN® Examination or recognized predecessor, as applicable;*
- 5. Is eligible for or holds an active, unencumbered license;*
- 6. Has submitted, in connection with an application for initial licensure or licensure by endorsement, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;*
- 7. Has not been convicted or found guilty, or has entered into an agreed disposition, of a felony offense under applicable state or federal criminal law;*
- 8. Has not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case-by-case basis;*
- 9. Is not currently enrolled in an alternative program;*
- 10. Is subject to self-disclosure requirements regarding current participation in an alternative program; and*
- 11. Has a valid United States Social Security number.*

d. All party states shall be authorized, in accordance with existing state due process law, to take adverse action against a nurse's multistate licensure privilege such as revocation, suspension, probation or any other action that affects a nurse's authorization to practice under a multistate licensure privilege, including cease and desist actions. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

e. A nurse practicing in a party state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of nursing is not limited to patient care, but shall include all nursing practice as defined by the state practice laws of the party state in which the client is located. The practice of nursing in a party state under a multistate licensure privilege will subject a nurse to the jurisdiction of the licensing board, the courts and the laws of the party state in which the client is located at the time service is provided.

f. Individuals not residing in a party state shall continue to be able to apply for a party state's single- state license as provided under the laws of each party state. However, the single-state license granted to these individuals will not be recognized as granting the privilege to practice nursing in any other party state. Nothing in this Compact shall affect the requirements established by a party state for the issuance of a single-state license.

g. Any nurse holding a home state multistate license, on the effective date of this Compact, may retain and renew the multistate license issued by the nurse's then-current home state, provided that:

1. A nurse, who changes primary state of residence after this Compact's effective date, must meet all applicable Article III.c. requirements to obtain a multistate license from a new home state.

2. A nurse who fails to satisfy the multistate licensure requirements in Article III.c. due to a disqualifying event occurring after this Compact's effective date shall be ineligible to retain or renew a multistate license, and the nurse's multistate license shall be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators ("Commission").

ARTICLE IV

Applications for Licensure in a Party State

a. Upon application for a multistate license, the licensing board in the issuing party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege held by the applicant and whether the applicant is currently participating in an alternative program.

b. A nurse may hold a multistate license, issued by the home state, in only one party state at a time.

c. If a nurse changes primary state of residence by moving between two party states, the nurse must apply for licensure in the new home state, and the multistate license issued by the prior home state will be deactivated in accordance with applicable rules adopted by the Commission.

1. The nurse may apply for licensure in advance of a change in primary state of residence.

2. A multistate license shall not be issued by the new home state until the nurse provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a multistate license from the new home state.

d. If a nurse changes primary state of residence by moving from a party state to a non-party state, the multistate license issued by the prior home state will convert to a single-state license, valid only in the former home state.

ARTICLE V

Additional Authorities Invested in Party State Licensing Boards

a. In addition to the other powers conferred by state law, a licensing board shall have the authority to:

1. Take adverse action against a nurse's multistate licensure privilege to practice within that party state.

i. Only the home state shall have the power to take adverse action against a nurse's license issued by the home state.

ii. For purposes of taking adverse action, the home state licensing board shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

2. Issue cease and desist orders or impose an encumbrance on a nurse's authority to practice within that party state.

3. Complete any pending investigations of a nurse who changes primary state of residence during the course of such investigations. The licensing board shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of such investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions.

4. Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, as well as, the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located.

5. Obtain and submit, for each nurse licensure applicant, fingerprint or other biometric-based information to the Federal Bureau of Investigation for criminal background checks, receive the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions.

6. If otherwise permitted by state law, recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse.

7. Take adverse action based on the factual findings of the remote state, provided that the licensing board follows its own procedures for taking such adverse action.

b. If adverse action is taken by the home state against a nurse's multistate license, the nurse's multistate licensure privilege to practice in all other party states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders that impose adverse action against a nurse's multistate license shall include a statement that the nurse's multistate licensure privilege is deactivated in all party states during the pendency of the order.

c. Nothing in this Compact shall override a party state's decision that participation in an alternative program may be used in lieu of adverse action. The home state licensing board shall deactivate the multistate licensure privilege under the multistate license of any nurse for the duration of the nurse's participation in an alternative program.

ARTICLE VI

Coordinated Licensure Information System and Exchange of Information

a. All party states shall participate in a coordinated licensure information system of all licensed registered nurses (RNs) and licensed practical/vocational nurses (LPNs/VNs). This system will include information on the licensure and disciplinary history of each nurse, as submitted by party states, to assist in the coordination of nurse licensure and enforcement efforts.

b. The Commission, in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection and exchange of information under this Compact.

c. All licensing boards shall promptly report to the coordinated licensure information system any adverse action, any current significant investigative information, denials of applications (with the reasons for such denials) and nurse participation in alternative programs known to the licensing board regardless of whether such participation is deemed nonpublic or confidential under state law.

d. Current significant investigative information and participation in nonpublic or confidential alternative programs shall be transmitted through the coordinated licensure information system only to party state licensing boards.

e. Notwithstanding any other provision of law, all party state licensing boards contributing information to the coordinated licensure information system may designate information that may not be shared with non-party states or disclosed to other entities or individuals without the express permission of the contributing state.

f. Any personally identifiable information obtained from the coordinated licensure information system by a party state licensing board shall not be shared with non-party states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

g. Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

h. The Compact administrator of each party state shall furnish a uniform data set to the Compact administrator of each other party state, which shall include, at a minimum:

- 1. Identifying information;*
 - 2. Licensure data;*
 - 3. Information related to alternative program participation; and*
 - 4. Other information that may facilitate the administration of this Compact, as determined by Commission rules.*
- i. The Compact administrator of a party state shall provide all investigative documents and information requested by another party state.*

ARTICLE VII

Establishment of the Interstate Commission of Nurse Licensure Compact Administrators

a. The party states hereby create and establish a joint public entity known as the Interstate Commission of Nurse Licensure Compact Administrators.

- 1. The Commission is an instrumentality of the party states.*

2. Venue is proper, and judicial proceedings by or against the Commission shall be brought solely and exclusively, in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

3. Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

b. Membership, Voting and Meetings

1. Each party state shall have and be limited to one administrator. The head of the state licensing board or designee shall be the administrator of this Compact for each party state. Any administrator may be removed or suspended from office as provided by the law of the state from which the Administrator is appointed. Any vacancy occurring in the Commission shall be filled in accordance with the laws of the party state in which the vacancy exists.

2. Each administrator shall be entitled to one (1) vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission. An administrator shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for an administrator's participation in meetings by telephone or other means of communication.

3. The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws or rules of the commission.

4. All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Article VIII.

5. The Commission may convene in a closed, nonpublic meeting if the Commission must discuss:

i. Noncompliance of a party state with its obligations under this Compact;

ii. The employment, compensation, discipline or other personnel matters, practices or procedures related to specific employees or other matters related to the Commission's internal personnel practices and procedures;

iii. Current, threatened or reasonably anticipated litigation;

iv. Negotiation of contracts for the purchase or sale of goods, services or real estate;

v. Accusing any person of a crime or formally censuring any person;

vi. Disclosure of trade secrets or commercial or financial information that is privileged or confidential;

vii. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

viii. Disclosure of investigatory records compiled for law enforcement purposes;

ix. Disclosure of information related to any reports prepared by or on behalf of the Commission for the purpose of investigation of compliance with this Compact; or

x. Matters specifically exempted from disclosure by federal or state statute.

6. If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision. The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefor, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission or order of a court of competent jurisdiction.

c. The Commission shall, by a majority vote of the administrators, prescribe bylaws or rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of this Compact, including but not limited to:

1. Establishing the fiscal year of the Commission;

2. Providing reasonable standards and procedures:

i. For the establishment and meetings of other committees; and

ii. Governing any general or specific delegation of any authority or function of the Commission;

3. Providing reasonable procedures for calling and conducting meetings of the Commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of such meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals, and proprietary information, including trade secrets. The Commission may meet in closed session only after a majority of the administrators vote to close a meeting in whole or in part. As soon as practicable, the Commission must make public a copy of the vote to close the meeting revealing the vote of each administrator, with no proxy votes allowed;

4. Establishing the titles, duties and authority and reasonable procedures for the election of the officers of the Commission;

5. Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the Commission. Notwithstanding any civil service or other similar laws of any party state, the bylaws shall exclusively govern the personnel policies and programs of the Commission; and

6. Providing a mechanism for winding up the operations of the Commission and the equitable disposition of any surplus funds that may exist after the termination of this Compact after the payment or reserving of all of its debts and obligations;

d. The Commission shall publish its bylaws and rules, and any amendments thereto, in a convenient form on the website of the Commission.

e. The Commission shall maintain its financial records in accordance with the bylaws.

f. The Commission shall meet and take such actions as are consistent with the provisions of this Compact and the bylaws.

g. The Commission shall have the following powers:

1. To promulgate uniform rules to facilitate and coordinate implementation and administration of this Compact. The rules shall have the force and effect of law and shall be binding in all party states;

2. To bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any licensing board to sue or be sued under applicable law shall not be affected;

3. To purchase and maintain insurance and bonds;

4. To borrow, accept or contract for services of personnel, including, but not limited to, employees of a party state or nonprofit organizations;

5. To cooperate with other organizations that administer state compacts related to the regulation of nursing, including but not limited to sharing administrative or staff expenses, office space or other resources;

6. To hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this Compact, and to establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel and other related personnel matters;

7. To accept any and all appropriate donations, grants and gifts of money, equipment, supplies, materials and services, and to receive, utilize and dispose of the same; provided that at all times the Commission shall avoid any appearance of impropriety or conflict of interest;

8. To lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve or use, any property, whether real, personal or mixed; provided that at all times the Commission shall avoid any appearance of impropriety;

9. To sell, convey, mortgage, pledge, lease, exchange, abandon or otherwise dispose of any property, whether real, personal or mixed;

10. To establish a budget and make expenditures;

11. To borrow money;

12. To appoint committees, including advisory committees comprised of administrators, state nursing regulators, state legislators or their representatives, and consumer representatives, and other such interested persons;
13. To provide and receive information from, and to cooperate with, law enforcement agencies;
14. To adopt and use an official seal; and
15. To perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact consistent with the state regulation of nurse licensure and practice.

h. Financing of the Commission

1. The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization and ongoing activities.
2. The Commission may also levy on and collect an annual assessment from each party state to cover the cost of its operations, activities and staff in its annual budget as approved each year. The aggregate annual assessment amount, if any, shall be allocated based upon a formula to be determined by the Commission, which shall promulgate a rule that is binding upon all party states.
3. The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the party states, except by, and with the authority of, such party state.
4. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

i. Qualified Immunity, Defense and Indemnification

1. The administrators, officers, executive director, employees and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of Commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury or liability caused by the intentional, willful or wanton misconduct of that person.
2. The Commission shall defend any administrator, officer, executive director, employee or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further that the actual or alleged act, error or omission did not result from that person's intentional, willful or wanton misconduct.
3. The Commission shall indemnify and hold harmless any administrator, officer, executive director, employee or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities, provided that the actual or alleged act, error or omission did not result from the intentional, willful or wanton misconduct of that person.

ARTICLE VIII

Rulemaking

- a. The Commission shall exercise its rulemaking powers pursuant to the criteria set forth in this Article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment and shall have the same force and effect as provisions of this Compact.

b. Rules or amendments to the rules shall be adopted at a regular or special meeting of the Commission.

c. Prior to promulgation and adoption of a final rule or rules by the Commission, and at least sixty (60) days in advance of the meeting at which the rule will be considered and voted upon, the Commission shall file a notice of proposed rulemaking:

1. On the website of the Commission; and

2. On the website of each licensing board or the publication in which each state would otherwise publish proposed rules.

d. The notice of proposed rulemaking shall include:

1. The proposed time, date and location of the meeting in which the rule will be considered and voted upon;

2. The text of the proposed rule or amendment, and the reason for the proposed rule;

3. A request for comments on the proposed rule from any interested person; and

4. The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

e. Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions and arguments, which shall be made available to the public.

f. The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment.

g. The Commission shall publish the place, time and date of the scheduled public hearing.

1. Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings will be recorded, and a copy will be made available upon request.

2. Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

h. If no one appears at the public hearing, the Commission may proceed with promulgation of the proposed rule.

i. Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission shall consider all written and oral comments received.

j. The Commission shall, by majority vote of all administrators, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

k. Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice, opportunity for comment or hearing, provided that the usual rulemaking procedures provided in this Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than ninety (90) days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

1. Meet an imminent threat to public health, safety or welfare;

2. Prevent a loss of Commission or party state funds; or

3. Meet a deadline for the promulgation of an administrative rule that is required by federal law or rule.

l. The Commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of thirty (30) days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing, and delivered to the Commission, prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

a. Oversight

1. Each party state shall enforce this Compact and take all actions necessary and appropriate to effectuate this Compact's purposes and intent.

2. The Commission shall be entitled to receive service of process in any proceeding that may affect the powers, responsibilities or actions of the Commission, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process in such proceeding to the Commission shall render a judgment or order void as to the Commission, this Compact or promulgated rules.

b. Default, Technical Assistance and Termination

1. If the Commission determines that a party state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall:

i. Provide written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default or any other action to be taken by the Commission; and

ii. Provide remedial training and specific technical assistance regarding the default.

2. If a state in default fails to cure the default, the defaulting state's membership in this Compact may be terminated upon an affirmative vote of a majority of the administrators, and all rights, privileges and benefits conferred by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

3. Termination of membership in this Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor of the defaulting state and to the executive officer of the defaulting state's licensing board and each of the party states.

4. A state whose membership in this Compact has been terminated is responsible for all assessments, obligations and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

5. The Commission shall not bear any costs related to a state that is found to be in default or whose membership in this Compact has been terminated unless agreed upon in writing between the Commission and the defaulting state.

6. The defaulting state may appeal the action of the Commission by petitioning the U.S. District Court for the District of Columbia or the federal district in which the Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

c. Dispute Resolution

1. Upon request by a party state, the Commission shall attempt to resolve disputes related to the Compact that arise among party states and between party and non-party states.

2. The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate.

3. In the event the Commission cannot resolve disputes among party states arising under this Compact:

i. The party states may submit the issues in dispute to an arbitration panel, which will be comprised of individuals appointed by the Compact administrator in each of the affected party states and an individual mutually agreed upon by the Compact administrators of all the party states involved in the dispute.

ii. The decision of a majority of the arbitrators shall be final and binding.

d. Enforcement

1. The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this Compact.

2. By majority vote, the Commission may initiate legal action in the U.S. District Court for the District of Columbia or the federal district in which the Commission has its principal offices against a party state that is in default to enforce compliance with the provisions of this Compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

3. The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or state law.

ARTICLE X

Effective Date, Withdrawal and Amendment

a. This Compact shall become effective and binding on the earlier of the date of legislative enactment of this Compact into law by no less than twenty-six (26) states or December 31, 2018. All party states to this Compact, that also were parties to the prior Nurse Licensure Compact, superseded by this Compact, ("Prior Compact"), shall be deemed to have withdrawn from said Prior Compact within six (6) months after the effective date of this Compact.

b. Each party state to this Compact shall continue to recognize a nurse's multistate licensure privilege to practice in that party state issued under the Prior Compact until such party state has withdrawn from the Prior Compact.

c. Any party state may withdraw from this Compact by enacting a statute repealing the same. A party state's withdrawal shall not take effect until six (6) months after enactment of the repealing statute.

d. A party state's withdrawal or termination shall not affect the continuing requirement of the withdrawing or terminated state's licensing board to report adverse actions and significant investigations occurring prior to the effective date of such withdrawal or termination.

e. Nothing contained in this Compact shall be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a non-party state that is made in accordance with the other provisions of this Compact.

f. This Compact may be amended by the party states. No amendment to this Compact shall become effective and binding upon the party states unless and until it is enacted into the laws of all party states.

g. Representatives of non-party states to this Compact shall be invited to participate in the activities of the Commission, on a nonvoting basis, prior to the adoption of this Compact by all states.

ARTICLE XI

Construction and Severability

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable, and if any phrase, clause, sentence or provision of this Compact is declared to be contrary to the constitution of any party state or of the United States, or if the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Compact shall be held to be contrary to the constitution of any party state, this Compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

2839.4. (a) Fees collected by the Board of Registered Nursing for purposes of granting a multistate license pursuant to Section 2839.3 shall not exceed the cost of administering that multistate license under the compact and shall be deposited in the Board of Registered Nursing Fund established pursuant to Section 2810.

(b) Fees collected by the Board of Vocational Nursing and Psychiatric Technicians for purposes of granting a multistate license pursuant to Section 2839.3 shall not exceed the cost of administering that multistate license under the compact and shall be deposited in the Vocational Nursing and Psychiatric Technicians fund pursuant to Section 2890.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**
Senator Steven Glazer, Chair
2019 - 2020 Regular

Bill No:	SB 1053	Hearing Date:	May 18, 2020
Author:	Moorlach		
Version:	May 13, 2020		
Urgency:	No	Fiscal:	Yes
Consultant:	Elissa Silva		

Subject: Licensed registered nurses and licensed vocational nurses: Nurse Licensure Compact

SUMMARY: Enacts the Nurse Licensure Compact (NLC) which would authorize the Board of Registered Nursing (BRN) to issue a multistate license to practice as a registered nurse (RN) and the Board of Vocational Nursing and Psychiatric Technicians (BVNPT) to issue a multistate license to practice as a licensed vocational nurse (LVN), in all party states under a multistate licensure privilege and designates the BRN and the BVNPT to alternate as the administrator of the NLC for California.

NOTE: *Due to the COVID-19 Pandemic and the unprecedented nature of the 2020 Legislative Session, all Senate Policy Committees are working under a compressed timeline. This timeline does not allow this bill to be referred and heard by more than one committee as a typical timeline would allow. In order to fully vet the contents of this measure for the benefit of Senators and the public, this analysis includes information from the Senate Committee on Judiciary.*

Existing law:

- 1) Establishes the BRN to license and regulate the practice of nursing under the Nursing Practice Act (Act). (Business and Professions Code (BPC) § 2700 *et seq.*)
- 2) States that protection of the public is the highest priority for the BRN in exercising its licensing, regulatory, and disciplinary functions, and whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public is paramount. (BPC § 2708.1)
- 3) Requires the BRN to meet at quarterly at times and places designated by resolution in both Northern and Southern California. (BPC § 2709.5)
- 4) Requires the BRN to prosecute all persons guilty of violating the Act. (BPC § 2715)
- 5) Authorizes a RN to dispense drugs or devices upon an order by a licensed physician and surgeon or an order by a certified nurse midwife, nurse practitioner, or physician assistant, as specified, if the RN is functioning within a licensed primary care clinic, as specified. (BPC § 2725.1)
- 6) Includes within the scope of nursing practice all of the following:

- a) Direct and indirect patient care services that ensure the safety, comfort, personal hygiene, and protection of patients; and the performance of disease prevention and restorative measures; (BPC § 2725(b)(1))
 - b) Direct and indirect patient care services, including the administration of medications and therapeutic agents, necessary to implement a treatment, disease prevention, or rehabilitative regimen ordered by and within the scope of licensure of a physician, dentist, podiatrist, or clinical psychologist; (BPC § 2725(b)(2))
 - c) The performance of skin tests, immunization techniques, and the withdrawal of human blood from veins and arteries; and, (BPC § 2725(b)(3))
 - d) Observation of signs and symptoms of illness, reactions to treatment, general behavior, or general physical condition, and determination of whether the signs, symptoms, reactions, behavior, or general appearance exhibit abnormal characteristics, and implementation, based on observed abnormalities, of appropriate reporting, or referral, or standardized procedures, or changes in treatment regimen in accordance with “standardized procedures,” or the initiation of emergency procedures. (BPC § 2725(b)(4))
- 7) Requires applicants for licensure as a RN to complete general education requirements determined by the BRN; complete the courses of instruction prescribed by the BRN in a in a program in this state accredited by the board or have completed courses of instruction in a school of nursing outside of this state which, in the opinion of the board at the time the application is filed, are equivalent to the minimum requirements of the BRN for licensure established for an accredited program in this state; and, not be subject to denial related to criminal convictions, as specified.
 - 8) Requires, beginning January 1, 2023, that Continuing Education (CE) courses for RNs, include the understanding of implicit bias and the promotion of bias-reducing strategies. (BPC § 2736.5)
 - 9) Establishes the Board of Vocational Nursing and Psychiatric Technicians (BVNPT) to license and regulate LVNs and Psychiatric Technicians s. (BPC 2840 *et seq.*).
 - 10) States that protection of the public is the highest priority for the BVNPT in exercising its licensing, regulatory, and disciplinary functions; and whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public is paramount. (BPC § 2841.1)
 - 11) Authorizes the BVNPT, upon written application and receipt of the fee, to issue a license without an examination to any applicant who possesses a valid, unrevoked license as vocational or practical nurse issued by any other state or a foreign country and who, in the opinion of the BVNPT, meets all other licensing requirements. (BPC § 2871.1)
 - 12) States that any person who has served on active duty in the medical corps or any of the armed forces, in which no less than 12 months was spent in rendering bedside

patient care, and who has completed a basic instruction course in nursing and served under honorable conditions must be granted a license upon proof that they have the qualifications, as specified. (BPC § 2873.5)

- 13) Authorizes the BVNPT to suspend or revoke a license for specified conditions, including but not limited to, incompetence, a conviction of practicing medicine without a license, failure to maintain patient confidentiality. (BPC § 2878)
- 14) Provides that an approved school is one that is approved by the BVNPT, and gives a course of instruction in vocational nursing of not less than 1,530 hours or 50 semester units, as specified. (BPC § 2881)
- 15) Requires each person renewing a BVNPT-license to submit proof to the BVNPT that during the preceding two years, they have received no more than 30 hours of CE, as determined by the BVNPT. (BPC § 2892.5)

This bill:

- 1) Enacts the Nurse Licensure Compact (NLC) and enters California as a NLC party state.
- 2) Designates the BRN and the BVNPT to alternate as the compact administrators for purposes of the NLC.
- 3) States findings and declarations pertaining to the purpose of the NLC;
- 4) Defines terms related to the administration of the NLC including: "home state" the party state which is the nurse's primary state residence; "multistate license" to practice as RN or LVN issued by a home state licensing board that authorizes the licensed nurse to practice in all party states under a multistate licensure privilege"; "single-state license" a nurse license issued by a party state that authorizes practice only within the issuing state and does not include a multistate licensure privilege to practice in any other party state"; "remote state" a party state, other than the home state"; and, "state practice laws" a party state's laws, rules and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline, but do not include requirements necessary to obtain and retain a license except for qualifications or requirements of the home state".
- 5) The NLC specifies that a multistate license to practice nursing as an RN or LVN issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as a RN or LVN under a multistate licensure privilege in each party state.
- 6) The NLC requires a state to implement procedures for considering the criminal history records of applicants for initial multistate licensure or licensure by endorsement/
- 7) The NLC specifies that in order to obtain or retain a multistate licensure, each party state must require an applicant to meet the home state's qualifications for licensure,

graduate from a licensing board approved RN or LVN pre-licensure program, pass the NCLEX-RN or NCLEX PN, submit fingerprints, and pass an English proficiency examination if the individual graduated from a foreign pre-licensure program. The NLC requires an applicant to have an active unencumbered license, submit fingerprints, and have a social security number. The NLC specifies that a multistate license may only be issued by the home state in only one party state at a time.

- 8) The NLC authorizes a licensing board to take adverse actions against a multistate license, issue cease and desist orders, complete pending investigations for a nurse who changes primary state of residence during the course of investigation, issue subpoenas; and obtain specified fingerprint information.
- 9) The NLC requires all party states to report to the coordinated licensure information system any adverse action, significant investigative information, denials of applicants, and nurse participation in alternative programs.
- 10) Makes California a member of the NLC the Interstate Commission of Nurse Licensure Compact Administrators (Commission). The Commission is required to file a notice of proposed rulemaking and provide an opportunity for a public hearing before it adopts a rule or amendment.
- 11) Authorizes the BRN and the BVNPT to charge a fee for issuing a multistate license.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

1. **Purpose.** The Author is the sponsor of this bill. According to the Author, "Medical care providers are constantly adapting to a rapidly change and increasingly interconnected national healthcare system. California's current framework for nurse licensure is based on an antiquated model in which nurses go to school, become licensed, and practice nursing in the same area throughout their entire career. This model has increasingly become an impediment to delivering the highest quality of care to California patients. Joining the NLC is a 21st century solution that would provide mobility and flexibility to California nurses."

2. **Background.**

Registered Nurse (RN). A RN observes patients, administers medication, provides diagnostic testing, coordinates patient care and helps patients manage illness and injuries, among other things. An RN typically operates as part of a healthcare team working with physicians and other health care specialty providers and may oversee vocational nurses, nursing assistants, and other home health care aides. In order to practice nursing in California, an individual must be licensed by the BRN. There are multiple pathways to obtain an RN license in California: 1) an Associate Degree in Nursing, 2) a Bachelor of Science in Nursing (BSN); 3) an entry level master's degree program in nursing; and, 4) the LVN career pathway (which typically is not recognized in other states). California also permits military corpsmen to take the national exam for RN licensure if they have completed RN level education and clinical experience.

For those applicants seeking a license in California, and are licensed in another state, the BRN grants licensure by endorsement. In the licensure by endorsement process, an applicant must hold a current and active RN license in another state, have completed an educational program meeting all California requirements, and have passed the National Council Licensure Examination (NCLEX-RN®). If the applicant is deficient in any of the educational components, they are required to complete an approved course prior to obtaining licensure.

In addition, the BRN issues temporary licenses. Temporary licenses are issued to applicants who pay the \$100 application fee, submit to California state level fingerprints, and submit an out-of-state verification form. The BRN reports that it can take approximately 8-10 weeks to process a temporary application. In FY 2016/17, the BRN reports that over 4,000 temporary licenses were issued. The temporary licenses are good for 6 months. If CA was a member of the NLC, those individuals would be authorized to practice in CA without any notification or application to the BRN or issuance of a secondary permit or license.

All RNs are required to provide both state level and federal level criminal background checks and licensees are required per BPC § 2736.5 to complete 30 hours of CE during each two-year renewal cycle. BPC § 2811.5(c) requires the BRN to establish regulations ensuring that CE courses are either related to the scientific knowledge or technical skills required for the practice of nursing, or to direct or indirect patient care. The BRN promulgated regulations further specifying appropriate coursework, including the requirement that all content be relevant to the practice of nursing. AB 241 (Kamlager-Dove, Chapter 417, Statutes of 2019), further required that RN licensees, among other healthcare practitioners, are required complete CE on the topic of implicit bias. RNs practicing in CA through the NLC may not be required to complete CE unless it is required by their home state.

Licensed Vocational Nurse (LVNs). An LVN is an entry-level health care provider who is responsible for rendering basic nursing care. An LVN practices under the direction of a physician or RN. Similar to RNs, there are multiple pathways to become a licensed LVN in California which are specified in the Vocational Nursing Practice Act. All applicants are required to provide both state level and federal level criminal background checks. LVNs are required to complete an educational program totaling 1,530 total hours including 954 clinical hours. Many LVN programs in other states require between 300-400 clinical hours. The BVNPT also expedites licensure for military spouses and accepts military education, training or experience towards meeting licensing or credentialing requirements. For applicants who are licensed in another state as an LVN, the BVNPT utilizes the licensure by endorsement process as well.

The provisions of the NLC are applicable to both RNs and LVNs.

The National Council of State Boards of Nursing, Inc. (NCSBN) and the Interstate Commission on Nurse Licensure (Commission). According to information provided by the Commission, the NCSBN is an independent, not-for-profit organization through which nursing regulatory bodies act and counsel together on matters of common interest and concern affecting public health, safety and welfare, including

the development of the nursing licensure examinations. Both the BRN and the BVNPT are members of the NCSBN and both the BRN and the BVNPT rely on the NCSBN for administration of the national RN and LVN licensing examinations which are accepted for licensure in California; the NCLEX-RN and the NCLEX-PN.

Separately, under the NCSBN, is the establishment of the governing body over the NLC, known as the Commission. The Commission is comprised of nursing board presidents of NLC member states and has the rulemaking authority related to the provisions and articles governing the NLC. Unlike California's regulatory boards, bureaus, committees under the DCA, the Commission does not have public participants. According to the information provided by the Commission, the composition is designed to ensure uniformity of rules across member states.

The rules which are promulgated by the Commission must be directly related to the NLC statutes. NLC rules do not change a member state's RN or LVN practice acts, but rather are related to the implementation and operations of the NLC. If an RN or LVN has a multistate license, they are required to abide by the practice acts and laws in each state in which they are practicing. It is unclear how RNs and LVNs, who practice under a multistate license are informed or educated about the various practice acts of other member states.

The current leadership of the Commission is comprised of a chair, vice chair, a treasurer, and four at-large members, all of whom are the nursing board presidents, representing the member states participating in the Commission. The Commission is required under Article VII of the NLC to meet at least once each calendar year. Additional meetings are held as specified in the Commission's bylaws. Commission meetings happen both via teleconference and in-person. According to information provided from the Commission, meetings are open for public participation, unless the Commission meets in closed session to discuss party state compliance, personnel or personal matters, litigation, contracts, sharing privileged information, disclosure of investigatory records, and other matters exempt from federal or state statute. Commission meetings are not subject to California's Bagley-Keene Open Meetings Act or Public Records Act.

The Commission website notes the utilization of committees which are comprised of representatives from member states. The various committees include: rules; research; elections; policy; compliance; and, training and education. The Commission is ultimately responsible for determining the language and specifications contained in the NLC and the rules and bylaws for the operation of the Commission. The Commission solicits feedback from the public during the rulemaking process.

The Nurse Licensure Compact (NLC). The NLC was originally established in 2000, and underwent a significant revision in 2017. At that time, several changes were made to the provisions of the NLC including the requirement for participants to include both federal and state level criminal background checks as part of the application process. Any state that was a member of the NLC prior to the revision in 2017, was able to transfer to the updated NLC, including those few states that did not previously require background checks. The NLC has been enacted in 34 states (two of which are in the implementation process). Under the NLC, an RN or LVN

can practice in any state, under a multistate license, in-person or via telehealth, as long as that state is a member of the NLC without obtaining a separate license to practice in each state.

The language contained in the NLC is identical in every state, and each state must comply with the provisions specified in the articles of the NLC. Any changes to the NLC may only be completed by regulatory actions of the Commission. The NLC only permits one authorized representative from a member state to be on the Commission. Unlike many other states, California has two separate regulatory boards to oversee RNs and LVNs. Because the NLC only allows one administrator to be a participant on the Commission (for rule-making purposes), this bill would designate the BRN and the BVNPT to be alternate administrators.

Articles VII and VIII of the NLC specify the voting procedures for member states, rules for convening in closed session, personnel matters for NLC staff, among others, along with the rulemaking authority for the Commission. Any changes to the articles of the NLC must be done by the Commission, the California Legislature would not have authority to change any of the provisions of the articles in the NLC, only to remove the state from participating in the NLC through the legislative process.

Licensure Requirements under the NLC. An RN or LVN can practice in any state that is a member of the NLC and there is no time restrictions on how long they may practice in any state that is a member of the NLC. A multistate license is issued in the state where the RN or LVN *legally* resides, not in the states where they want to practice. RNs or LVNs who move to a new state are required to reapply for a new license each time they move.

Article III of the NLC specifies the requirements that an applicant must meet in order to obtain a multistate license. Applicants must at a minimum, meet the qualifications for licensure as determined by their *home state* (the state where they reside). After meeting the home state's minimum requirements for licensure, the applicant must additionally meet the following:

- Graduate from a licensing board approved RN/LVN pre-licensure education program;
- Graduate from a foreign RN/LVN pre-licensure program, as specified; and if that foreign pre-licensure program was not taught in English, or if English is not that individual's native language they must pass an "English proficiency examination" that includes the components of reading, speaking, writing and listening;
- Pass the NCLEX-RN or NCLEX-PN;
- Be eligible for or hold an active, unencumbered license;
- Submit fingerprints or other biometric data for FBI and the agency responsible for retaining that state's criminal records;
- Not been convicted or found guilty, or has entered into an agreed disposition, of a felony offense under applicable state or federal criminal law;

- Not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case-by-case basis;
- Not currently enrolled in an alternative program;
- Is subject to self-disclosure requirements regarding current participation in an alternative program; and,
- Has a valid United States Social Security number.

Although a variation of the above mentioned licensing requirements are likely required by many states, there may be some notable differences in education and clinical hours required. LVNs are required to meet approximately 954 hours of clinical experience to obtain a license in California, while some other states do not have the same requirement. The Committee staff is not aware of an analysis of each state board's licensing requirements to identify where there may be differences in both education and clinical hour requirements, or enforcement and discipline practices in each state.

In California, an applicant for licensure must present a valid Social Security number or an Individual Tax Payer Identification number. In this instance, that applicant would meet California's requirement for a license, but they would not meet the requirements for the multistate license without a valid Social Security number. This would allow some California licensees to participate in the NLC while others would not meet the requirements of the NLC.

The NLC is not applicable to advanced practice RNs such as nurse practitioners (NPs), nurse anesthetists (CNAs), nurse midwives (CNMs), or clinical nurse specialists (CNSs). Although these advanced practice nurses would be eligible to practice in California or any NLC member state, they are only permitted to practice under the scope of practice of an RN as defined in that state's RN or LVN practice acts.

Enforcement Authority under the NLC. Under Article V of the NLC, a member state is authorized to take adverse action against a nurse practicing in that state under the NLC; however, only the home state where that nurse obtained its multistate license (where the nurse resides) would be permitted to discipline the RN's or LVN's multistate license. Article VI of the NLC requires all licensing boards to promptly report to the coordinated licensure information system (NURSIS) any current significant investigative action, adverse action, denials of licensure, participation in alternative programs known to the licensing board regardless of whether such participation is deemed nonpublic or confidential under state law. Further, the compact administrator of a party state is required to provide all investigative documents and information requested by another party state. While specified information about an RN or LVN must be made available to other party states through the NLC administrator, a party state licensing board may designate that certain information about an individual may not be shared with non-party states. An RN or LVN may not be a participant in alternative program while practicing under a multistate license. Article V specifies that nothing in the NLC override's a party state's decision authorizing the use of an alternative program in lieu of an adverse action against the RN or LVN; but, the home state must deactivate that licensee's multistate privilege during the duration of the RN or LVN's participation in the

alternative program. If permitted in the home state, that licensee would be able to continue to practice in the home state, but would need to reactivate that license back to a multistate license upon completion of the alternative program.

Board of Registered Nursing (BRN) and Board of Vocational Nursing and Psychiatric Technicians (BVNPT). In California, there are two separate regulatory boards with oversight of the nursing and vocational nursing practices, the BRN and the BVNPT.

The BRN regulates over 500,000 nurse-licensees in California, which is typically one of the highest population of nurses in any state. In addition to licensing RNs, the BRN issues permits for pending licensees and certificates to NPs, CNAs CNMs, and CNSs. The BRN is responsible for setting educational standards for RN, NP, and CNM programs, approving such programs, approving continuing education providers, evaluating and licensing applicants, administering discipline, managing an intervention program for licensees with substance use disorders or mental illness, and providing stakeholder information and outreach. The BRN is a special fund agency that obtains its revenues from licensing fees. The BRN is comprised of nine members, which include five RNs and four public members. BPC § 2709 requires the BRN to meet at least once every three months, at times and places it designates by resolution. Meetings are required to be held both in northern and southern California.

The BVNPT is responsible for administering the laws related to the education, practice and discipline of LVNs and Psychiatric Technicians (PTs). The BVNPT regulates over 120,000 LVNs and 11,000 PTs, typically one of the largest groups of LVNs and PTs in the nation. The BVNPT has 11 members, with a public member majority (six public members and five professional members).

Both the BRN and the BVNPT are under the regulatory umbrella of the DCA. Each board is subject to the various statutory requirements specified under California's BPC related to board composition, protection of the public mandate, meeting location requirements, number of times to meet annually, as well as the requirements set forth in California's *Bagley-Keene Open Meetings Act* (Bagley Keene). Bagley-Keene, which is set forth in Government Code §§ 11120-11132, covers all state boards and commissions and generally requires these bodies to publicly notice their meetings, prepare agendas, accept public testimony and conduct their meetings in public unless specifically authorized by the Act to meet in closed session. Most of the boards under the jurisdiction of the DCA are required to meet in multiple jurisdictions throughout California in order to help facilitate the greatest amount of public participation. In addition, meetings are webcasted when available and teleconference meeting locations are available to the public to access. According to the Commission's Bylaws, the Commission is required to meet in-person two times a year, in a location determined by the Commission. The Commission meets in various locations across the country, however, it is unclear if it is mandated to do so. Meetings are noted as publicly available, and public notice of the meeting is required to be posted 7-days prior to a meeting. Article VIII requires the Commission to post, for at least 60 days, any proposed rule or amendment and accept public comment prior to the vote on the rule or amendment.

NURSYS System. Both the BRN and the BVNPT currently participate in the NURSYS System. The NURSYS system provides an online verification for endorsement to an RN or LVN requesting to practice in another state and for anyone who wants to verify a nurse license. Additionally, states who utilize the system will be able to obtain licensing and enforcement actions of RNs and LVNs if participating in the NLC. Currently, both the BRN and the BVNPT report enforcement actions to the NURSYS system, but the BRN does not utilize it as a method to verify licensure. Persons licensed outside of California, must apply to California through the licensure by endorsement process, which authorizes California to obtain transcripts and other licensing documentation that it requires. The NLC requires that states participate in a coordinated licensure system in order to share licensing and enforcement data.

Under Article VI all licensing boards must promptly report to NURSYS any adverse action, any current significant investigative information, application denials and reasons for denials, nurse participation in alternative programs, regardless of whether or such information is deemed nonpublic or confidential under a state law. Further, the compact administrator, under this bill, the BRN and the BVNPT, would be required furnish a uniform set of data to the NLC administrator of each party state, and include any information related to investigations as requested by another party state.

Out-of-State Licensure. The licensure by endorsement system is utilized by both the BRN and the BVNPT for processing applicants with licenses held in another state. Although the licensure by endorsement process is not difficult, there are fees associated with applying for licensure in California, and it does take time to process an endorsement application. If California were to enact the NLC, that would allow those same individuals to practice in California without having to pay an additional fee or submit an application.

Telehealth. Especially during the COVID-19 pandemic, the value of telemedicine has become more apparent and necessary. In California, the requirements for telehealth operations are specified under current statute. BPC § 2290.5 specifies that California law recognizes live video and store-and forward (capture of medical information and transfer to providers for later review). RNs are permitted in California to utilize telehealth to provide healthcare services as long as certain requirements are met including obtaining written or verbal consent from the person receiving those services. If an RN or LVN was practicing in CA under a multistate license, they would be required to follow the practice act laws of the state in which they are practicing in. By participating in the NLC, an RN may hold a multistate license and reside in another state, and provide telehealth services to patients in California. The language in the NLC does not specify how multistate license holders are educated about nurse practice acts in other states, nor how they are informed about California's telehealth laws.

Expedited Licensure. According to the Author, this bill would benefit military spouses who could practice immediately, rather than having to wait for their application to be processed and for the individual to gain a full California nursing license.

Under California Code of Regulations (CCR) Title 16 § 1418, an applicant with relevant military education and experience who presents documentation from a BRN-approved registered pre-licensure nursing program of equivalency credit evaluation that provides evidence of meeting, in whole or in part, the minimum standards for competency set forth in § 1443.5 and minimum education requirements of licensure listed pursuant to § 1426(c)(1) to (3), utilizing challenge examination or other evaluative methods, will be considered to meet, in whole or in part, the education requirements for licensure. According to the BRN, in FY 2018/19, the BRN issued 179 military spouse endorsements, issued 241 endorsements and permitted 259 examinations.

BPC § 2873.5 establishes authority for the BVNPT to consider United States military education, training, and experience for licensing or credentialing requirements, including college credit equivalency. For consideration of military equivalency, the applicant must have served on active duty in the medical corps of any of the armed forces. For the LVN, the applicant must have no less than 12 months rendering bedside patient care. In addition, the applicant must have completed the basic course of instruction in nursing required by the applicant's branch of the armed forces under honorable conditions.

Military applicants must submit to the BVNPT, the Record of Military Service Form, copies of military performance evaluations to verify inpatient bedside patient care, evidence of the completion of a basic course in nursing in the armed forces, documentation of an honorable discharge (DD214) and all required application forms and documents. The BVNPT reports that in FY 2018-19, it received 51 applications and approved 45.

3. **Impacts to BRN and BVNPT operations.** The statutorily designated administrators of this NLC, as specified under the provisions of this bill, the BRN and BVNPT would be responsible for vetting both RN and LVN applicants seeking a multistate license. The BRN would continue to be the regulatory entity for RNs who do not want a multistate license, CNMs, CNAs, and NPs. For those LVNs who would like to obtain or maintain their single state (CA-only) license, they would still need to apply to the BVNPT, and the BVNPT would continue its oversight over PTs. Both boards would administer two separate licensing programs (those with a multistate and those without), currently each board has only one fund for collection of fees and expenditures for enforcement.

Recent amendments to this bill authorize the BRN and the BVNPT to charge a fee for obtaining a multistate license which can be no higher than the actual cost of providing that multistate license. It is currently unknown what the fees would be for an applicant to obtain the multistate license in California. Currently, an applicant for an RN license (CA graduate) is \$300 and \$350 for an out of state licensee (endorsement). That fee is in addition to the NCLEX examination fee of \$200 which is charged by the examination administrator (the NSCBN). For LVNs, the initial license fee is \$220, and the examination review fee is \$220. The fee for applicants for endorsement is \$220.

Further, per information from the Commission, state licensing boards are required to pay \$6,000 annually to be a participant of the Commission. As currently drafted,

this bill does not specify how that fee is paid or by which board. As the administrators, the BRN and the BVNPT would likely need to split that fee annually.

4. **COVID-19 Crisis and Healthcare Workforce Efforts.** In response to the COVID-19 pandemic, the Governor has taken a number of actions and issued numerous executive orders in order to address the immediate crisis, including impacts on the state's healthcare workforce stemming from the virus. On, March 4, 2020, the Governor issued a State of Emergency declaration, as defined in Government Code § 8558, which immediately authorized the Director of the Emergency Medical Services Authority (EMSA) to allow licensed healthcare professionals from outside of California to practice in California without a California license. Under BPC § 900, licensed professionals are authorized to practice in California during a state of emergency declaration as long as they are licensed and have been deployed by the Director of EMSA. According to information provided by the EMSA, under the authority granted in BPC § 900 over 1,600 RNs were granted practice authority in California since March.

On March 30, 2020, the Governor issued Executive Order N-39-20 authorizing the Director of DCA to waive licensure requirements relating to healing arts during the duration of the COVID-19 pandemic – including rules relating to examination, education, experience, and training.

5. **Senate Judiciary Committee issues.** This bill raises various issues within the jurisdiction of the Senate Judiciary Committee, including, among others, limited liability, public access to meetings and records, delegation of legislative authority, discrimination, and privacy. The Senate Judiciary Committee has historically tended to disfavor the types of immunities and limitations on liability that exist within this bill. The Judiciary Committee has also historically disfavored legislation that provides for the sharing of personal information of Californians without adequate protections. This bill appears to require the sharing of personal information, with other states, about licensees without the licensees' affirmative permission and even if the licensees are not planning on participating in the multistate license program. Moreover, the bill would require California to hand over information about California licensees as determined by the out-of-state Commission and turn over all investigative documents and information requested by another party state.

This bill also contains provisions that will bind California to terms that are established in the future by an out-of-state Commission on which California has very limited representation. The Commission, under this Legislation, would have the power to promulgate rules that "shall have the force and effect of law and shall be binding in all party states." This Commission will also operate outside of California's open meeting and open records requirements. The Committee may wish to ensure that the open meeting requirements of the Commission must be consistent with the Bagley-Keene Act and public records requirements of the Commission must be consistent with the California Public Records Act. The bill also contains provisions that would prohibit specified future legislation from taking effect until six months after legislation would otherwise be effective, effectively binding a future legislature to the decisions that are made by today's legislature. (See *County Mobilehome Positive Action Committee v. County of San Diego* (1998) 62 Cal.App.4th 727, 734, "An act of one legislature is not binding upon, and does

not tie the hands of future legislatures [citations omitted];" and see *State Bd. of Dry Cleaners v. Thrift-D-Lux Cleaners* (1953) 40 Cal.2d 436, 447 regarding the prohibition against the delegation of legislative power.)

Other provisions the Judiciary Committee would likely scrutinize are the provisions that require participants to have "a valid" United States Social Security Number and that require immigrants or children of immigrants to pass English proficiency examinations. The State of California does not require the Social Security Number of applicants for licenses provided by Boards and Bureaus within the Department of Consumer Affairs or applicants or members of the State Bar of California.

Requiring an "English proficiency examination" for licensees, many of who have been engaged in the profession for years in California, is contrary to California's values of protecting immigrants and arguably unworkable without running afoul of state and federal protections against discrimination. How will licensees for who "English is not the individual's native language" be identified? Will they be identified through non-English sounding last names? Will licensees be asked for their country of birth, immigration status, or country of birth of their parents?

6. **Related Legislation This Year.** SB 1054 (Moorlach) would enact the Physical Therapy Licensure Compact, under which each member state is required to grant a compact privilege, as defined, to a physical therapist holding a license in another member state if specified conditions are satisfied. (Status: *This bill will also be heard by the Committee on May 18.*)

AB 3016 (Megan Dahle of 2020) would require the BRN in consultation with the DCA to develop recommendations for the implementation of the Nursys online license verification system, as specified. (Status: *This bill is currently pending in the Assembly Committee on Business and Professions.*)

7. **Arguments in Support.** Supporters state that joining the NLC will increase the workforce of nurses in California and expand access to care.

The California Association of Colleges of Nursing writes in support, "By increasing licensed nurses' mobility with other compact states, we view the NLC as a viable way to address the healthcare needs in California's rural and metropolitan communities, especially during nursing shortages or natural disasters."

AARP writes in support, "For a number of reasons, AARP believes that states should adopt interstate licensure compacts for physicians, advance-practice registered nurses, and registered nurses to expand provider networks and reduce interstate barriers to the use of telehealth services. Joining the nurse compact agreement will increase access to quality nursing care for Californians, while ensuring safety and promoting quality nursing care for all Californians."

The California Association for Health Services at Home writes in support, "CAHSAH has had long standing policy to advocate for any legislation that will increase the nursing pool in California. By joining the NLC, California would broaden the pool of nursing professionals eligible to work in California which would help solve the nursing shortage our state is facing and increase access to specialized nursing professionals licensed in other states. Additionally, with a current California

regulatory requirement for all home health agencies to only hire an LVN or RN that has at least one year of prior professional nursing experience, many home health agencies have had even greater challenges recruiting nursing staff.”

California Communities Defense Alliance writes in support, “Currently, California overall ranks as one of the most onerously licensed state. The state is one of only six that participates in no compact or other sort of reciprocity agreements. If an individual wants to gain an occupational license in California, they must meet all of the California-specific requirements, regardless of how long they’ve been licensed to practice in another state. The problem is that many new California residents, particularly military spouses who are stationed in the state, face numerous obstacles to gaining licensure and credentialing in California, which means delays in working and making an income.”

OCHIN writes in support, “By establishing the Nurse License Compact, the pool of nursing professionals eligible to work in California would broaden and help solve the ongoing nursing shortage our state currently faces. SB 1053 would improve educational opportunities in the nursing field as virtual education and visiting instructors could be utilized as part of nursing curriculum. Furthermore, it would modernize the medical care delivery system in California by allowing for greater access to tele-health which can significantly benefit California’s underserved communities.”

The San Diego Military Advisory Council writes in support, “This Bill would ease licensing impediments for military spouses and spouses moving in to California while at the same time helping California fill the critical needs of nurses.”

The Department of Defense writes in support, “As our military members and their families move from state to state, the ability for them to quickly gain employment and progress on their chosen career paths is very important.”

Platinum Healthcare, Spectrum Medical Staffing, KPG Healthcare, First Class Nurses, Inc., Coast Medical, AMN Healthcare Staffing, Lead Healthstaff, Secure Nursing Service, Stability Healthcare, Associated Health Professionals, Inc., and Tharex Staffing Services, write in support and note “We’ve seen demand for nurses double in California over the last decade. One of the most important and immediate solutions to the supply and demand imbalance is to allow quality nurses to freely practice where they are needed the most. California’s non-participation in the eNLC makes it more difficult for nurses to help the single largest population in need of healthcare -- the people of California.”

The Case Management Society, San Francisco, San Diego and San Jose Chapters writes in support, and noted “The United States healthcare system is increasingly interconnected. Due to modern technology, patients, doctors, and nurses are able to travel and collaborate across the country. While this is a highly beneficial development and is resulting in higher quality of care, it also is at odds with the state-by-state model of inflexible licensing that is currently in force. The Nurse Licensure Compact is an innovative 21st century solution to this issue. SB 1053 would add California to the growing number of states taking this step into the future and joining the compact.”

The California Association of Nurse Practitioners writes in support, and notes “SB 1053 will allow California to help other states respond to the surge. It will further allow RNs and LVNs from other states to help Californians who need care, both in-person and via telehealth, which is being increasingly utilized in light of COVID-19.”

The California Hospital Association writes in support, “Hospitals and health systems are actively transforming their services to meet consumers’ needs, particularly for underserved and vulnerable populations. The addition of qualified, licensed out-of-state nurses through the Nursing Licensure Compact (NLC) is an opportunity to increase health care access across California, particularly where there is a maldistribution of registered nurses (RNs).”

The Secretary of the Army, writes in support and notes, ““Army spouse licensure and occupational portability is one of my highest priorities. To that end, we have been working through the Department of Defense State Liaison Office to assist states in approving several occupational licensure compacts, including the NLC. Currently, 34 states have enacted legislation to join the NLC. As our military members move from state to state, the ability of their spouses to quickly gain employment and progress along their chosen career paths is very important to their economic stability.”

8. **Arguments in Opposition.** The California Nurses Association, writes in opposition, “CNA is opposed to the Nurse Licensure Compact for three key reasons: 1) joining the compact would severely inhibit California’s ability to protect the public from harm; 2) joining the compact would restrict opportunities for upward mobility by eliminate alternative pathways to licensure; and 3) adoption of the compact does not make nurses more mobile.”

The Legislative Committee of the Board of Registered Nursing, writes in opposition and notes, “The Board of Registered Nursing protects and advocates for the health and safety of the public by ensuring the highest quality registered nurses in the state of California. This bill would authorize a multistate license to practice as a registered nurse in all party states under multistate licensure privilege. Traditionally, each state has had differing requirements about professional development for nurses. California holds the highest standards for licensees requiring 30 continuing education units at renewal. The compact does not address a uniform policy for continuing education which means that in some states, there may be little or no professional development.”

9. **Policy Issues for Consideration.**

BRN and the BVNPT. Unlike many other states, RNs and LVNs in California are not licensed by the same regulatory board. Nurses are regulated under the BRN, and LVNs are regulated under the BVNPT. However, California would only be authorized for one designee on the Commission. Although this bill proposes that the BRN and BVNPT would both be the state’s NLC administrators, since only one board would represent California on the Commission at a time, confusion could arise if NLC rulemaking is conducted for one profession without the input of the other licensing board.

Standards. California has established standards for the licensing and regulation of RNs and LVNs practicing in California, including school oversight, clinical training requirements, and CE subjects. Given that those are not the same for all states, which could include compact member states, a lack of parity could be created by requiring California licensees to meet standards for education and training that others would not have to meet in order to obtain a multistate license from another state. For example, there will be RNs and LVNs practicing in California who have never taken a CE course and will be authorized to practice in California, while California licensees would be required to obtain CE.

Telehealth. This bill would allow an RN to live in another state and provide telehealth services to California residents. It is unclear what, if any, information the multistate license holder would be required to disclose to a California resident who is a recipient of those services, or whether they would have to provide information that assists patients in being informed about the individual providing care through telehealth. In the event of patient harm or a situation that warrants a consumer complaint, it is unclear how a California patients would easily report their concerns about a nurse to the BRN or an LVN to the BVNPT without knowing the state where the RN or LVN is licensed, their license number, and without an easy mechanism to verify licensure status.

Prior History. While the NLC requires applicants to complete background history and submit fingerprints, which are updated in the event of an arrest or crime committed by the licensee, this requirement does not apply to those licensed prior to 2017 when the compact was updated to require background checks. RNs in California and LVNs are required to provide fingerprints and have been for a number of years. This inconsistency, and the likelihood that licensees practicing under a multistate license issued under the prior version of the NLC, may limit the ability for California boards to be made aware of issues and to take action that ensures the safety of California patients.

Are there California licensed RNs and LVNs who won't be able to qualify for a multistate license? The requirements for an RN to obtain licensure through the NLC are specified in the compact itself and cannot be amended in California. The eleven requirements that an applicant must meet are consistent across party states yet these do not conform to or always reflect those states' standards. The NLC specifies that in order to obtain the multistate license, an applicant must meet all of their home state's licensure requirements, and licensure requirements specifically required by the NLC. Significantly, the NLC requires applicant to have a social security number, which directly conflicts with California law enacted in 2014 (SB 1159 Lara, Chapter 752, Statutes of 2014) that prohibited the sole use of a social security number for purposes of licensing and instead authorized applicants to provide an individual taxpayer identification number. The situation could create inconsistency as California licensees who choose to utilize a taxpayer identification number would not be eligible for a multistate license.

Sunset Review Oversight. The BRN and the BVNPT are both subject to the Legislature's sunset review oversight process which, through public hearings and materials, allows for an evaluation of each program and a comprehensive means by

which to make necessary changes to board operations and the regulation of the profession. The Commission is not subject to the same public process for rule changes that sunset review oversight provides.

Both BRN and BVNPT will be subject to sunset review oversight in the coming year. This avenue may provide a more constructive means by which to comprehensively consider the implications for NLC participation and to determine the best course ahead for multistate nursing licensure recognition. Sunset review oversight could allow the opportunity to vet the differences and similarities of various NLC party state's requirements, as well as the reforms that should be made in this state, based on an evaluation of best practices which could potentially lead to solutions and greater ease of licensure for out-of-state providers available to provide care to California patients.

SUPPORT AND OPPOSITION:

Support:

AARP
 AMN Healthcare Staffing
 Associated Health Professionals, Inc.
 Association of California Nurse Leaders
 California Association for Health Services At Home
 California Association of Colleges of Nursing
 California Association of Health Facilities
 California Association of Nurse Practitioners
 California Defense Community Alliance
 California Hospital Association
 California Hospital Association
 California Organization of Associate Degree Nursing – North
 CMSA San Diego
 CMSA San Jose
 CMSA San Francisco/East Bay
 Coast Medical
 Express Healthcare Professionals
 First Class Nurses, Inc.
 Host Healthcare
 KPG Healthcare
 Lead Healthstaff
 Mynela Staffing
 Ochin, INC.
 Platinum Healthcare
 San Diego Military Advisory Council (SDMAC)
 Secretary of the Army
 Secure Nursing Service
 Spectrum Medical Staffing
 Stability Healthcare
 Travel Nurse Across America
 Trusted Health
 Tharaex Staffing Services

U.S. Department of Defense
Numerous individuals

Opposition:

California Board of Registered Nursing, Legislative Committee
California Nurses Association

-- END --

AGENDA ITEM 10

REVIEW AND DISCUSSION OF THE FINAL OCCUPATIONAL THERAPY LICENSURE COMPACT.

The Occupational Therapy Licensure Compact is attached for review.



Occupational Therapy Compact (OT Compact) – Summary of Key Provisions

Section 1: Purpose

The purpose of the OT Compact is to facilitate interstate practice of occupational therapy, with the goal of improving public access to occupational therapy services while preserving the regulatory authority of states to protect public health and safety through the current system of state licensure.

The OT Compact:

- Provides for the mutual recognition of other member state licenses.
- Enhances states' abilities to protect public health and safety.
- Encourages cooperation of member states in regulating multi-state OT practice.
- Supports spouses of relocating military members.
- Enhances the exchange of licensure, investigative, and disciplinary information between member states.
- Allows a state to hold a provider practicing in that state via the compact accountable to that state's standards of practice.
- Facilitates the use of telehealth technology to provide OT services across state lines.

Section 2: Definitions

This section establishes the definitions of key terms as used throughout the compact, to alleviate confusion on the part of practitioners and jurisdictions. Defined terms are capitalized throughout the document.

Section 3: State Participation in the Compact

This section establishes the duties of states participating in the compact.

A member state must:

- License occupational therapists and occupational therapy assistants.
- Participate in the compact commission's licensure database.
- Have a mechanism in place for receiving and investigating complaints against licensees.
- Notify the commission of any adverse action against or investigation of a licensee.
- Conduct criminal background checks of applicants for an initial compact privilege.
- Comply with the rules of the compact commission.
- Utilize only a recognized national exam as a requirement for an occupational therapist's and occupational therapy assistant's licensure.
- Require continuing education for license renewal.
- Grant the compact privilege to a holder of a valid license in another member state.
- Provide for the state's delegate to attend all compact commission meetings.

States may charge a fee for granting the compact privilege.

A licensee may only access the compact privilege if their *primary state of residence* joins the compact.

A state's requirements for issuance of a single-state license are not affected.

Section 4: Compact Privilege

Section 4 establishes licensees' requirements for exercising the compact privilege to practice occupational therapy in a remote state.

To exercise the compact privilege, a licensee must:

- Hold a license in their state of residence, which *must be a member of the compact*.
- Have a social security number or NPI.
- Have no encumbrance on any state license or compact privilege in the previous two years.
- Notify the compact commission of their intent to seek the compact privilege in a remote state.
- Meet any jurisprudence requirements in the remote state and pay any fees.
- Report to the commission any adverse action taken by a non-member state within 30 days after the action is taken.

If a practitioner's home state license is encumbered, the practitioner shall remain ineligible for the compact privilege in any remote state until two years have passed from the date the home state license is no longer encumbered.

If a practitioner's compact privilege in any remote state is removed, they may lose the compact privilege in any other remote state. The licensee may remain ineligible for the compact privilege in any other remote state until two years have elapsed for the period which the compact privilege was removed and all fines and conditions, if any, have been met.

Section 5: Obtaining a New Home State License by Virtue of Compact Privilege

This section creates an alternative pathway to licensure for compact privilege holders who change their primary state of residence between compact member states.

A licensee may obtain a new home state license by virtue of their compact privilege in their new home state in accordance with Rules established by the Commission.

The licensee will be required to complete a new FBI Fingerprint based criminal background check, any state required criminal background check, and submit to any jurisprudence requirements of the new home state.

If a practitioner moves from a non-member state to a member state, or from a member state to a non-member state, the practitioner must apply for a single-state license in the new state, under the new state's licensure requirements.

Licensees may hold more than one single-state license at the same time, but only the license tied to the primary state of residence may serve as the licensee's "home state" license for the purposes of the compact.

Nothing in the compact affects a member state's requirements for issuance of a *single-state* license.

Section 6: Active Duty Military Personnel or their Spouses

This section allows an active duty servicemember, or their spouse, to designate a home state where the individual has a current license in good standing. This state then serves as the individual's home state for as long as the servicemember is on active duty.

Section 7: Adverse Actions

This section clarifies that *only* a licensee's home state may take adverse action against a *home state* license.

However, remote states may take adverse action against a licensee's compact privilege in that state and may issue enforceable subpoenas for witnesses and evidence from other member states.

Home states must take reported adverse action from any member state into account, in accordance with the home state's own laws.

If an occupational therapist or occupational therapy assistant changes their home state during an active investigation by their former home state, the former home state completes the investigation, takes appropriate action under its laws, and then reports its findings to the compact commission's data system. The data system administrator then notifies the licensee's new home state of any adverse action taken by the former home state.

Member states may initiate joint investigations of licensees and are required to share investigative materials in furtherance of any joint or single-state investigation of a licensee.

Member states must report any adverse action to the compact data system, which then promptly alerts the home state of this adverse action.

Any member state may take adverse action based on the factual findings of a remote state.

Member states retain the right to require a licensee to participate in an alternative program for mental health-related concerns in lieu of adverse action.

Section 8: Establishment of the Occupational Therapy Compact Commission

This section outlines the composition and powers of the compact commission and executive committee. The compact is not a waiver of sovereign immunity.

- Each member state is entitled to exactly one delegate, who is selected by the member state's licensing board from among the board's members and employees.
- Each delegate has one (1) vote on commission rules and bylaws.
- The commission may establish a term of office, code of ethics, bylaws, rules, a budget and financial records in order to carry out the compact.
- The commission may elect an executive committee composed of seven delegates, one member of a national occupational therapy professional organization, and one member of a national occupational therapy certification organization.
- All commission meetings shall be open to the public unless confidential or privileged information must be discussed.

Section 9: Data System

This section requires the sharing of licensee information by all compact states.

A compact state shall submit a uniform dataset to the data system on all occupational therapists and occupational therapy assistants to whom this compact is applicable as required by the rules of the commission. This database will allow for the expedited sharing of disciplinary information.

Investigative information pertaining to a licensee in any member state will only be available to other Member States.

A member state may designate information submitted to the data system that may not be shared with the public without the express permission of that member state.

Section 10: Rulemaking

- Rules carry the force of law in all member states.
- A simple majority of member state legislatures may veto a rule of the commission.
- Changes to rules require a 30-day notice of proposed rulemaking, with an opportunity for a public hearing if one is requested by 25 people, by an association having at least 25 members, or by a government agency.
- If the commission takes an action that is beyond the scope of the compact, the action is invalid and has no force and effect.

Section 11: Oversight, Dispute Resolution, and Enforcement

Ensures compliance with the compact by member states. The procedures to be followed in the event of a failure by a member state to comply with the compact include:

- A period of technical assistance in remedying the situation;
- Dispute resolution, including mediation and binding processes; and
- Termination from the compact if no other means of compliance is successful.

The commission shall attempt to resolve any compact-related disputes that may arise between states.

Section 12: Date of Implementation, Withdrawal, and Amendment

The compact takes effect on the date of enactment by the tenth state.

States that join after this date are subject to the rules of the commission as they exist on the date when the compact becomes law in that state.

Member states may enact a law to repeal their membership in the compact. A state's withdrawal takes effect 6 months after enactment of such law.

Section 13: Construction and Severability

The compact is to be liberally construed to effectuate its purposes.

The compact's provisions are severable, meaning that:

- If a provision is declared to conflict with the United States constitution, all other provisions remain valid for all member states, and
- If a provision is held contrary to a member state's constitution, the compact retains its full force in all other states, and all other provisions remain valid in the affected state.

Section 14: Binding Effect of Compact and Other Laws

This section reiterates that occupational therapists and occupational therapy assistants are subject to the scope of practice of the state in which they are exercising the compact privilege.

It also reiterates that rules and bylaws of the commission are binding on member states.

According to legal precedent, if a conflict exists between a state law and the compact, the state law is superseded to the extent of the conflict.

OCCUPATIONAL THERAPY LICENSURE COMPACT

SECTION 1. PURPOSE

The purpose of this Compact is to facilitate interstate practice of Occupational Therapy with the goal of improving public access to Occupational Therapy services. The Practice of Occupational Therapy occurs in the State where the patient/client is located at the time of the patient/client encounter. The Compact preserves the regulatory authority of States to protect public health and safety through the current system of State licensure.

This Compact is designed to achieve the following objectives:

- A. Increase public access to Occupational Therapy services by providing for the mutual recognition of other Member State licenses;
- B. Enhance the States' ability to protect the public's health and safety;
- C. Encourage the cooperation of Member States in regulating multi-State Occupational Therapy Practice;
- D. Support spouses of relocating military members;
- E. Enhance the exchange of licensure, investigative, and disciplinary information between Member States;
- F. Allow a Remote State to hold a provider of services with a Compact Privilege in that State accountable to that State's practice standards; and
- G. Facilitate the use of Telehealth technology in order to increase access to Occupational Therapy services.

SECTION 2. DEFINITIONS

As used in this Compact, and except as otherwise provided, the following definitions shall apply:

- A. "Active Duty Military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. Chapter 1209 and Section 1211.
- B. "Adverse Action" means any administrative, civil, equitable, or criminal action permitted by a State's laws which is imposed by a Licensing Board or other authority against an Occupational Therapist or Occupational Therapy Assistant, including actions against an individual's license or Compact Privilege such as censure, revocation, suspension, probation, monitoring of the Licensee, or restriction on the Licensee's practice.

- 31 C. "Alternative Program" means a non-disciplinary monitoring process approved by an
32 Occupational Therapy Licensing Board.
- 33 D. "Compact Privilege" means the authorization, which is equivalent to a license, granted by a
34 Remote State to allow a Licensee from another Member State to practice as an
35 Occupational Therapist or practice as an Occupational Therapy Assistant in the Remote
36 State under its laws and rules. The Practice of Occupational Therapy occurs in the Member
37 State where the patient/client is located at the time of the patient/client encounter.
- 38 E. "Continuing Competence/Education" means a requirement, as a condition of license
39 renewal, to provide evidence of participation in, and/or completion of, educational and
40 professional activities relevant to practice or area of work.
- 41 F. "Current Significant Investigative Information" means Investigative Information that a
42 Licensing Board, after an inquiry or investigation that includes notification and an opportunity
43 for the Occupational Therapist or Occupational Therapy Assistant to respond, if required by
44 State law, has reason to believe is not groundless and, if proved true, would indicate more
45 than a minor infraction.
- 46 G. "Data System" means a repository of information about Licensees, including but not limited
47 to license status, Investigative Information, Compact Privileges, and Adverse Actions.
- 48 H. "Encumbered License" means a license in which an Adverse Action restricts the Practice of
49 Occupational Therapy by the Licensee or said Adverse Action has been reported to the
50 National Practitioners Data Bank (NPDB).
- 51 I. "Executive Committee" means a group of directors elected or appointed to act on behalf of,
52 and within the powers granted to them by, the Commission.
- 53 J. "Home State" means the Member State that is the Licensee's Primary State of Residence.
- 54 K. "Impaired Practitioner" means individuals whose professional practice is adversely affected
55 by substance abuse, addiction, or other health-related conditions.
- 56 L. "Investigative Information" means information, records, and/or documents received or
57 generated by an Occupational Therapy Licensing Board pursuant to an investigation.
- 58 M. "Jurisprudence Requirement" means the assessment of an individual's knowledge of the
59 laws and rules governing the Practice of Occupational Therapy in a State.
- 60 N. "Licensee" means an individual who currently holds an authorization from the State to
61 practice as an Occupational Therapist or as an Occupational Therapy Assistant.
- 62 O. "Member State" means a State that has enacted the Compact.

- P. "Occupational Therapist" means an individual who is licensed by a State to practice Occupational Therapy.
- Q. "Occupational Therapy Assistant" means an individual who is licensed by a State to assist in the Practice of Occupational Therapy.
- R. "Occupational Therapy," "Occupational Therapy Practice," and the "Practice of Occupational Therapy" mean the care and services provided by an Occupational Therapist or an Occupational Therapy Assistant as set forth in the Member State's statutes and regulations.
- S. "Occupational Therapy Compact Commission" or "Commission" means the national administrative body whose membership consists of all States that have enacted the Compact.
- T. "Occupational Therapy Licensing Board" or "Licensing Board" means the agency of a State that is authorized to license and regulate Occupational Therapists and Occupational Therapy Assistants.
- U. "Primary State of Residence" means the state (also known as the Home State) in which an Occupational Therapist or Occupational Therapy Assistant who is not Active Duty Military declares a primary residence for legal purposes as verified by: driver's license, federal income tax return, lease, deed, mortgage or voter registration or other verifying documentation as further defined by Commission Rules.
- V. "Remote State" means a Member State other than the Home State, where a Licensee is exercising or seeking to exercise the Compact Privilege.
- W. "Rule" means a regulation promulgated by the Commission that has the force of law.
- X. "State" means any state, commonwealth, district, or territory of the United States of America that regulates the Practice of Occupational Therapy.
- Y. "Single-State License" means an Occupational Therapist or Occupational Therapy Assistant license issued by a Member State that authorizes practice only within the issuing State and does not include a Compact Privilege in any other Member State.
- Z. "Telehealth" means the application of telecommunication technology to deliver Occupational Therapy services for assessment, intervention and/or consultation.

SECTION 3. STATE PARTICIPATION IN THE COMPACT

A. To participate in the Compact, a Member State shall:

1. License Occupational Therapists and Occupational Therapy Assistants

2. Participate fully in the Commission's Data System, including but not limited to using the Commission's unique identifier as defined in Rules of the Commission;
 3. Have a mechanism in place for receiving and investigating complaints about Licensees;
 4. Notify the Commission, in compliance with the terms of the Compact and Rules, of any Adverse Action or the availability of Investigative Information regarding a Licensee;
 5. Implement or utilize procedures for considering the criminal history records of applicants for an initial Compact Privilege. These procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that State's criminal records;
 - a. A Member State shall, within a time frame established by the Commission, require a criminal background check for a Licensee seeking/applying for a Compact Privilege whose Primary State of Residence is that Member State, by receiving the results of the Federal Bureau of Investigation criminal record search, and shall use the results in making licensure decisions.
 - b. Communication between a Member State, the Commission and among Member States regarding the verification of eligibility for licensure through the Compact shall not include any information received from the Federal Bureau of Investigation relating to a federal criminal records check performed by a Member State under Public Law 92-544.
 6. Comply with the Rules of the Commission;
 7. Utilize only a recognized national examination as a requirement for licensure pursuant to the Rules of the Commission; and
 8. Have Continuing Competence/Education requirements as a condition for license renewal.
- B. A Member State shall grant the Compact Privilege to a Licensee holding a valid unencumbered license in another Member State in accordance with the terms of the Compact and Rules.
- C. Member States may charge a fee for granting a Compact Privilege.
- D. A Member State shall provide for the State's delegate to attend all Occupational Therapy Compact Commission meetings.
- E. Individuals not residing in a Member State shall continue to be able to apply for a Member State's Single-State License as provided under the laws of each Member State. However,

the Single-State License granted to these individuals shall not be recognized as granting the Compact Privilege in any other Member State.

- F. Nothing in this Compact shall affect the requirements established by a Member State for the issuance of a Single-State License.

SECTION 4. COMPACT PRIVILEGE

- A. To exercise the Compact Privilege under the terms and provisions of the Compact, the Licensee shall:

1. Hold a license in the Home State;
2. Have a valid United States Social Security Number or National Practitioner Identification number;
3. Have no encumbrance on any State license;
4. Be eligible for a Compact Privilege in any Member State in accordance with Section 4D, F, G, and H;
5. Have paid all fines and completed all requirements resulting from any Adverse Action against any license or Compact Privilege, and two years have elapsed from the date of such completion;
6. Notify the Commission that the Licensee is seeking the Compact Privilege within a Remote State(s);
7. Pay any applicable fees, including any State fee, for the Compact Privilege;
8. Complete a criminal background check in accordance with Section 3A(5);
 - a. The Licensee shall be responsible for the payment of any fee associated with the completion of a criminal background check.
9. Meet any Jurisprudence Requirements established by the Remote State(s) in which the Licensee is seeking a Compact Privilege; and
10. Report to the Commission Adverse Action taken by any non-Member State within 30 days from the date the Adverse Action is taken.

- B. The Compact Privilege is valid until the expiration date of the Home State license. The Licensee must comply with the requirements of Section 4A to maintain the Compact Privilege in the Remote State.

- C. A Licensee providing Occupational Therapy in a Remote State under the Compact Privilege shall function within the laws and regulations of the Remote State.

- D. Occupational Therapy Assistants practicing in a Remote State shall be supervised by an Occupational Therapist licensed or holding a Compact Privilege in that Remote State.
- E. A Licensee providing Occupational Therapy in a Remote State is subject to that State's regulatory authority. A Remote State may, in accordance with due process and that State's laws, remove a Licensee's Compact Privilege in the Remote State for a specific period of time, impose fines, and/or take any other necessary actions to protect the health and safety of its citizens. The Licensee may be ineligible for a Compact Privilege in any State until the specific time for removal has passed and all fines are paid.
- F. If a Home State license is encumbered, the Licensee shall lose the Compact Privilege in any Remote State until the following occur:
1. The Home State license is no longer encumbered; and
 2. Two years have elapsed from the date on which the Home State license is no longer encumbered in accordance with Section 4(F)(1).
- G. Once an Encumbered License in the Home State is restored to good standing, the Licensee must meet the requirements of Section 4A to obtain a Compact Privilege in any Remote State.
- H. If a Licensee's Compact Privilege in any Remote State is removed, the individual may lose the Compact Privilege in any other Remote State until the following occur:
1. The specific period of time for which the Compact Privilege was removed has ended;
 2. All fines have been paid and all conditions have been met;
 3. Two years have elapsed from the date of completing requirements for 4(H)(1) and (2); and
 4. The Compact Privileges are reinstated by the Commission, and the compact Data System is updated to reflect reinstatement.
- I. If a Licensee's Compact Privilege in any Remote State is removed due to an erroneous charge, privileges shall be restored through the compact Data System.
- J. Once the requirements of Section 4H have been met, the license must meet the requirements in Section 4A to obtain a Compact Privilege in a Remote State.

SECTION 5: OBTAINING A NEW HOME STATE LICENSE BY VIRTUE OF COMPACT PRIVILEGE

- 188 A. An Occupational Therapist or Occupational Therapy Assistant may hold a Home State
189 license, which allows for Compact Privileges in Member States, in only one Member State at
190 a time.
- 191 B. If an Occupational Therapist or Occupational Therapy Assistant changes Primary State of
192 Residence by moving between two Member States:
- 193 1. The Occupational Therapist or Occupational Therapy Assistant shall file an application
194 for obtaining a new Home State license by virtue of a Compact Privilege, pay all
195 applicable fees, and notify the current and new Home State in accordance with
196 applicable Rules adopted by the Commission.
- 197 2. Upon receipt of an application for obtaining a new Home State license by virtue of
198 compact privilege, the new Home State shall verify that the Occupational Therapist or
199 Occupational Therapy Assistant meets the pertinent criteria outlined in Section 4 via the
200 Data System, without need for primary source verification except for:
- 201 a. an FBI fingerprint based criminal background check if not previously
202 performed or updated pursuant to applicable Rules adopted by the
203 Commission in accordance with Public Law 92-544;
- 204 b. other criminal background check as required by the new Home State; and
- 205 c. submission of any requisite Jurisprudence Requirements of the new
206 Home State.
- 207 3. The former Home State shall convert the former Home State license into a Compact
208 Privilege once the new Home State has activated the new Home State license in
209 accordance with applicable Rules adopted by the Commission.
- 210 4. Notwithstanding any other provision of this Compact, if the Occupational Therapist or
211 Occupational Therapy Assistant cannot meet the criteria in Section 4, the new Home
212 State shall apply its requirements for issuing a new Single-State License.
- 213 5. The Occupational Therapist or the Occupational Therapy Assistant shall pay all
214 applicable fees to the new Home State in order to be issued a new Home State license.
- 215 C. If an Occupational Therapist or Occupational Therapy Assistant changes Primary State of
216 Residence by moving from a Member State to a non-Member State, or from a non-Member
217 State to a Member State, the State criteria shall apply for issuance of a Single-State License
218 in the new State.
- 219 D. Nothing in this compact shall interfere with a Licensee's ability to hold a Single-State
220 License in multiple States; however, for the purposes of this compact, a Licensee shall have
221 only one Home State license.

- E. Nothing in this Compact shall affect the requirements established by a Member State for the issuance of a Single-State License.

SECTION 6. ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

- A. Active Duty Military personnel, or their spouses, shall designate a Home State where the individual has a current license in good standing. The individual may retain the Home State designation during the period the service member is on active duty. Subsequent to designating a Home State, the individual shall only change their Home State through application for licensure in the new State or through the process described in Section 5.

SECTION 7. ADVERSE ACTIONS

- A. A Home State shall have exclusive power to impose Adverse Action against an Occupational Therapist's or Occupational Therapy Assistant's license issued by the Home State.
- B. In addition to the other powers conferred by State law, a Remote State shall have the authority, in accordance with existing State due process law, to:
1. Take Adverse Action against an Occupational Therapist's or Occupational Therapy Assistant's Compact Privilege within that Member State.
 2. Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a Licensing Board in a Member State for the attendance and testimony of witnesses or the production of evidence from another Member State shall be enforced in the latter State by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the State in which the witnesses or evidence are located.
- C. For purposes of taking Adverse Action, the Home State shall give the same priority and effect to reported conduct received from a Member State as it would if the conduct had occurred within the Home State. In so doing, the Home State shall apply its own State laws to determine appropriate action.
- D. The Home State shall complete any pending investigations of an Occupational Therapist or Occupational Therapy Assistant who changes Primary State of Residence during the course of the investigations. The Home State, where the investigations were initiated, shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of the investigations to the OT Compact Commission Data System. The Occupational Therapy Compact Commission Data System administrator shall promptly notify the new Home State of any Adverse Actions.

- E. A Member State, if otherwise permitted by State law, may recover from the affected Occupational Therapist or Occupational Therapy Assistant the costs of investigations and disposition of cases resulting from any Adverse Action taken against that Occupational Therapist or Occupational Therapy Assistant.
- F. A Member State may take Adverse Action based on the factual findings of the Remote State, provided that the Member State follows its own procedures for taking the Adverse Action.
- G. Joint Investigations
1. In addition to the authority granted to a Member State by its respective State Occupational Therapy laws and regulations or other applicable State law, any Member State may participate with other Member States in joint investigations of Licensees.
 2. Member States shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.
- H. If an Adverse Action is taken by the Home State against an Occupational Therapist's or Occupational Therapy Assistant's license, the Occupational Therapist's or Occupational Therapy Assistant's Compact Privilege in all other Member States shall be deactivated until all encumbrances have been removed from the State license. All Home State disciplinary orders that impose Adverse Action against an Occupational Therapist's or Occupational Therapy Assistant's license shall include a Statement that the Occupational Therapist's or Occupational Therapy Assistant's Compact Privilege is deactivated in all Member States during the pendency of the order.
- I. If a Member State takes Adverse Action, it shall promptly notify the administrator of the Data System. The administrator of the Data System shall promptly notify the Home State of any Adverse Actions by Remote States.
- J. Nothing in this Compact shall override a Member State's decision that participation in an Alternative Program may be used in lieu of Adverse Action.

SECTION 8. ESTABLISHMENT OF THE OCCUPATIONAL THERAPY COMPACT COMMISSION.

- A. The Compact Member States hereby create and establish a joint public agency known as the Occupational Therapy Compact Commission:
1. The Commission is an instrumentality of the Compact States.
 2. Venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to

the extent it adopts or consents to participate in alternative dispute resolution proceedings.

3. Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

B. Membership, Voting, and Meetings

1. Each Member State shall have and be limited to one (1) delegate selected by that Member State's Licensing Board.

2. The delegate shall be either:

a. A current member of the Licensing Board, who is an Occupational Therapist, Occupational Therapy Assistant, or public member; or

b. An administrator of the Licensing Board.

3. Any delegate may be removed or suspended from office as provided by the law of the State from which the delegate is appointed.

4. The Member State board shall fill any vacancy occurring in the Commission within 90 days.

5. Each delegate shall be entitled to one (1) vote with regard to the promulgation of Rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission. A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

6. The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

7. The Commission shall establish by Rule a term of office for delegates.

C. The Commission shall have the following powers and duties:

1. Establish a Code of Ethics for the Commission;

2. Establish the fiscal year of the Commission;

3. Establish bylaws;

4. Maintain its financial records in accordance with the bylaws;

5. Meet and take such actions as are consistent with the provisions of this Compact and the bylaws;

- 320 6. Promulgate uniform Rules to facilitate and coordinate implementation and administration
321 of this Compact. The Rules shall have the force and effect of law and shall be binding in
322 all Member States;
- 323 7. Bring and prosecute legal proceedings or actions in the name of the Commission,
324 provided that the standing of any State Occupational Therapy Licensing Board to sue or
325 be sued under applicable law shall not be affected;
- 326 8. Purchase and maintain insurance and bonds;
- 327 9. Borrow, accept, or contract for services of personnel, including, but not limited to,
328 employees of a Member State;
- 329 10. Hire employees, elect or appoint officers, fix compensation, define duties, grant such
330 individuals appropriate authority to carry out the purposes of the Compact, and establish
331 the Commission's personnel policies and programs relating to conflicts of interest,
332 qualifications of personnel, and other related personnel matters;
- 333 11. Accept any and all appropriate donations and grants of money, equipment, supplies,
334 materials and services, and receive, utilize and dispose of the same; provided that at all
335 times the Commission shall avoid any appearance of impropriety and/or conflict of
336 interest;
- 337 12. Lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold,
338 improve or use, any property, real, personal or mixed; provided that at all times the
339 Commission shall avoid any appearance of impropriety;
- 340 13. Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any
341 property real, personal, or mixed;
- 342 14. Establish a budget and make expenditures;
- 343 15. Borrow money;
- 344 16. Appoint committees, including standing committees composed of members, State
345 regulators, State legislators or their representatives, and consumer representatives, and
346 such other interested persons as may be designated in this Compact and the bylaws;
- 347 17. Provide and receive information from, and cooperate with, law enforcement agencies;
- 348 18. Establish and elect an Executive Committee; and
- 349 19. Perform such other functions as may be necessary or appropriate to achieve the
350 purposes of this Compact consistent with the State regulation of Occupational Therapy
351 licensure and practice.

D. The Executive Committee

The Executive Committee shall have the power to act on behalf of the Commission according to the terms of this Compact.

1. The Executive Committee shall be composed of nine members:

a. Seven voting members who are elected by the Commission from the current membership of the Commission;

b. One ex-officio, nonvoting member from a recognized national Occupational Therapy professional association; and

c. One ex-officio, nonvoting member from a recognized national Occupational Therapy certification organization.

2. The ex-officio members will be selected by their respective organizations.

3. The Commission may remove any member of the Executive Committee as provided in bylaws.

4. The Executive Committee shall meet at least annually.

5. The Executive Committee shall have the following Duties and responsibilities:

a. Recommend to the entire Commission changes to the Rules or bylaws, changes to this Compact legislation, fees paid by Compact Member States such as annual dues, and any Commission Compact fee charged to Licensees for the Compact Privilege;

b. Ensure Compact administration services are appropriately provided, contractual or otherwise;

c. Prepare and recommend the budget;

d. Maintain financial records on behalf of the Commission;

e. Monitor Compact compliance of Member States and provide compliance reports to the Commission;

f. Establish additional committees as necessary; and

g. Perform other duties as provided in Rules or bylaws.

E. Meetings of the Commission

1. All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the Rulemaking provisions in Section 10.

2. The Commission or the Executive Committee or other committees of the Commission may convene in a closed, non-public meeting if the Commission or Executive Committee or other committees of the Commission must discuss:

- a. Non-compliance of a Member State with its obligations under the Compact;
- b. The employment, compensation, discipline or other matters, practices or procedures related to specific employees or other matters related to the Commission's internal personnel practices and procedures;
- c. Current, threatened, or reasonably anticipated litigation;
- d. Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;
- e. Accusing any person of a crime or formally censuring any person;
- f. Disclosure of trade secrets or commercial or financial information that is privileged or confidential;
- g. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;
- h. Disclosure of investigative records compiled for law enforcement purposes;
- i. Disclosure of information related to any investigative reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the Compact; or
- j. Matters specifically exempted from disclosure by federal or Member State statute.

3. If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

4. The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission or order of a court of competent jurisdiction.

F. Financing of the Commission

1. The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

2. The Commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.
3. The Commission may levy on and collect an annual assessment from each Member State or impose fees on other parties to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved by the Commission each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Commission, which shall promulgate a Rule binding upon all Member States.
4. The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the Member States, except by and with the authority of the Member State.
5. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

G. Qualified Immunity, Defense, and Indemnification

1. The members, officers, executive director, employees and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit and/or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.
2. The Commission shall defend any member, officer, executive director, employee, or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided

further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

3. The Commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

SECTION 9. DATA SYSTEM

- A. The Commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, Adverse Action, and Investigative Information on all licensed individuals in Member States.
- B. A Member State shall submit a uniform data set to the Data System on all individuals to whom this Compact is applicable (utilizing a unique identifier) as required by the Rules of the Commission, including:
 1. Identifying information;
 2. Licensure data;
 3. Adverse Actions against a license or Compact Privilege;
 4. Non-confidential information related to Alternative Program participation;
 5. Any denial of application for licensure, and the reason(s) for such denial;
 6. Other information that may facilitate the administration of this Compact, as determined by the Rules of the Commission; and
 7. Current Significant Investigative Information.
- C. Current Significant Investigative Information and other Investigative Information pertaining to a Licensee in any Member State will only be available to other Member States.
- D. The Commission shall promptly notify all Member States of any Adverse Action taken against a Licensee or an individual applying for a license. Adverse Action information pertaining to a Licensee in any Member State will be available to any other Member State.
- E. Member States contributing information to the Data System may designate information that may not be shared with the public without the express permission of the contributing State.

- F. Any information submitted to the Data System that is subsequently required to be expunged by the laws of the Member State contributing the information shall be removed from the Data System.

SECTION 10. RULEMAKING

- A. The Commission shall exercise its Rulemaking powers pursuant to the criteria set forth in this Section and the Rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each Rule or amendment.
- B. The Commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of the Compact. Notwithstanding the foregoing, in the event the Commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of the Compact, or the powers granted hereunder, then such an action by the Commission shall be invalid and have no force and effect.
- C. If a majority of the legislatures of the Member States rejects a Rule, by enactment of a statute or resolution in the same manner used to adopt the Compact within 4 years of the date of adoption of the Rule, then such Rule shall have no further force and effect in any Member State.
- D. Rules or amendments to the Rules shall be adopted at a regular or special meeting of the Commission.
- E. Prior to promulgation and adoption of a final Rule or Rules by the Commission, and at least thirty (30) days in advance of the meeting at which the Rule will be considered and voted upon, the Commission shall file a Notice of Proposed Rulemaking:
1. On the website of the Commission or other publicly accessible platform; and
 2. On the website of each Member State Occupational Therapy Licensing Board or other publicly accessible platform or the publication in which each State would otherwise publish proposed Rules.
- F. The Notice of Proposed Rulemaking shall include:
1. The proposed time, date, and location of the meeting in which the Rule will be considered and voted upon;
 2. The text of the proposed Rule or amendment and the reason for the proposed Rule;
 3. A request for comments on the proposed Rule from any interested person; and
 4. The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

512 G. Prior to adoption of a proposed Rule, the Commission shall allow persons to submit written
513 data, facts, opinions, and arguments, which shall be made available to the public.

514 H. The Commission shall grant an opportunity for a public hearing before it adopts a Rule or
515 amendment if a hearing is requested by:

516 1. At least twenty five (25) persons;

517 2. A State or federal governmental subdivision or agency; or

518 3. An association or organization having at least twenty five (25) members.

519 I. If a hearing is held on the proposed Rule or amendment, the Commission shall publish the
520 place, time, and date of the scheduled public hearing. If the hearing is held via electronic
521 means, the Commission shall publish the mechanism for access to the electronic hearing.

522 1. All persons wishing to be heard at the hearing shall notify the executive director of the
523 Commission or other designated member in writing of their desire to appear and testify
524 at the hearing not less than five (5) business days before the scheduled date of the
525 hearing.

526 2. Hearings shall be conducted in a manner providing each person who wishes to comment
527 a fair and reasonable opportunity to comment orally or in writing.

528 3. All hearings will be recorded. A copy of the recording will be made available on request.

529 4. Nothing in this section shall be construed as requiring a separate hearing on each Rule.
530 Rules may be grouped for the convenience of the Commission at hearings required by
531 this section.

532 J. Following the scheduled hearing date, or by the close of business on the scheduled hearing
533 date if the hearing was not held, the Commission shall consider all written and oral
534 comments received.

535 K. If no written notice of intent to attend the public hearing by interested parties is received, the
536 Commission may proceed with promulgation of the proposed Rule without a public hearing.

537 L. The Commission shall, by majority vote of all members, take final action on the proposed
538 Rule and shall determine the effective date of the Rule, if any, based on the Rulemaking
539 record and the full text of the Rule.

540 M. Upon determination that an emergency exists, the Commission may consider and adopt an
541 emergency Rule without prior notice, opportunity for comment, or hearing, provided that the
542 usual Rulemaking procedures provided in the Compact and in this section shall be
543 retroactively applied to the Rule as soon as reasonably possible, in no event later than

ninety (90) days after the effective date of the Rule. For the purposes of this provision, an emergency Rule is one that must be adopted immediately in order to:

1. Meet an imminent threat to public health, safety, or welfare;
2. Prevent a loss of Commission or Member State funds;
3. Meet a deadline for the promulgation of an administrative Rule that is established by federal law or Rule; or
4. Protect public health and safety.

N. The Commission or an authorized committee of the Commission may direct revisions to a previously adopted Rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of thirty (30) days after posting. The revision may be challenged only on grounds that the revision results in a material change to a Rule. A challenge shall be made in writing and delivered to the chair of the Commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

SECTION 11. OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

A. Oversight

1. The executive, legislative, and judicial branches of State government in each Member State shall enforce this Compact and take all actions necessary and appropriate to effectuate the Compact's purposes and intent. The provisions of this Compact and the Rules promulgated hereunder shall have standing as statutory law.
2. All courts shall take judicial notice of the Compact and the Rules in any judicial or administrative proceeding in a Member State pertaining to the subject matter of this Compact which may affect the powers, responsibilities, or actions of the Commission.
3. The Commission shall be entitled to receive service of process in any such proceeding, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the Commission shall render a judgment or order void as to the Commission, this Compact, or promulgated Rules.

B. Default, Technical Assistance, and Termination

1. If the Commission determines that a Member State has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated Rules, the Commission shall:
 - a. Provide written notice to the defaulting State and other Member States of the nature of the default, the proposed means of curing the default and/or any other action to be taken by the Commission; and
 - b. Provide remedial training and specific technical assistance regarding the default.
2. If a State in default fails to cure the default, the defaulting State may be terminated from the Compact upon an affirmative vote of a majority of the Member States, and all rights, privileges and benefits conferred by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending State of obligations or liabilities incurred during the period of default.
3. Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor, the majority and minority leaders of the defaulting State's legislature, and each of the Member States.
4. A State that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.
5. The Commission shall not bear any costs related to a State that is found to be in default or that has been terminated from the Compact, unless agreed upon in writing between the Commission and the defaulting State.
6. The defaulting State may appeal the action of the Commission by petitioning the U.S. District Court for the District of Columbia or the federal district where the Commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney's fees.

C. Dispute Resolution

1. Upon request by a Member State, the Commission shall attempt to resolve disputes related to the Compact that arise among Member States and between member and non-Member States.
2. The Commission shall promulgate a Rule providing for both mediation and binding dispute resolution for disputes as appropriate.

D. Enforcement

1. The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and Rules of this Compact.
2. By majority vote, the Commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices against a Member State in default to enforce compliance with the provisions of the Compact and its promulgated Rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney's fees.
3. The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or State law.

SECTION 12. DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR OCCUPATIONAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

- A. The Compact shall come into effect on the date on which the Compact statute is enacted into law in the tenth Member State. The provisions, which become effective at that time, shall be limited to the powers granted to the Commission relating to assembly and the promulgation of Rules. Thereafter, the Commission shall meet and exercise Rulemaking powers necessary to the implementation and administration of the Compact.
- B. Any State that joins the Compact subsequent to the Commission's initial adoption of the Rules shall be subject to the Rules as they exist on the date on which the Compact becomes law in that State. Any Rule that has been previously adopted by the Commission shall have the full force and effect of law on the day the Compact becomes law in that State.
- C. Any Member State may withdraw from this Compact by enacting a statute repealing the same.
 1. A Member State's withdrawal shall not take effect until six (6) months after enactment of the repealing statute.
 2. Withdrawal shall not affect the continuing requirement of the withdrawing State's Occupational Therapy Licensing Board to comply with the investigative and Adverse Action reporting requirements of this act prior to the effective date of withdrawal.
- D. Nothing contained in this Compact shall be construed to invalidate or prevent any Occupational Therapy licensure agreement or other cooperative arrangement between a Member State and a non-Member State that does not conflict with the provisions of this Compact.

- E. This Compact may be amended by the Member States. No amendment to this Compact shall become effective and binding upon any Member State until it is enacted into the laws of all Member States.

SECTION 13. CONSTRUCTION AND SEVERABILITY

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable and if any phrase, clause, sentence or provision of this Compact is declared to be contrary to the constitution of any Member State or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this Compact shall be held contrary to the constitution of any Member State, the Compact shall remain in full force and effect as to the remaining Member States and in full force and effect as to the Member State affected as to all severable matters.

SECTION 14. BINDING EFFECT OF COMPACT AND OTHER LAWS

- A. A Licensee providing Occupational Therapy in a Remote State under the Compact Privilege shall function within the laws and regulations of the Remote State.
- B. Nothing herein prevents the enforcement of any other law of a Member State that is not inconsistent with the Compact.
- C. Any laws in a Member State in conflict with the Compact are superseded to the extent of the conflict.
- D. Any lawful actions of the Commission, including all Rules and bylaws promulgated by the Commission, are binding upon the Member States.
- E. All agreements between the Commission and the Member States are binding in accordance with their terms.
- F. In the event any provision of the Compact exceeds the constitutional limits imposed on the legislature of any Member State, the provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that Member State.

AGENDA ITEM 11

UPDATE AND DISCUSSION ON 2020 CHAPTERED BILLS.

Attached are the following:

- a. Assembly Bill (AB) 2113 (Low) Refugees, asylees, and special immigrant visa holders: professional licensing: initial licensure process.
- b. AB 2113 Analysis by Assembly Committee on Business and Professions.
- c. AB 2113 Analysis by Senate Committee on Business, Professions and Economic Development.
- d. AB 2520 (Chiu) Access to medical records.
- e. Senate Bill (SB) 878 (Jones) Department of Consumer Affairs: license: application: processing timeframes.
- f. SB 1474 (Committee on Business, Professions and Economic Development).

Date of Hearing: May 21, 2020

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Evan Low, Chair

AB 2113 (Low) – As Amended May 4, 2020

SUBJECT: Refugees, asylees, and immigrants: professional licensing.

SUMMARY: Requires licensing boards under the Department of Consumer Affairs to expedite licensure applications for refugees, asylees, and Special Immigrant Visa holders.

EXISTING FEDERAL LAW:

- 1) States that the President of the United States, in consultation with Congress, may determine the maximum number of annual admission of refugees, as specified. (8 United States Code (U.S.C.) Section 1157 et seq.)
- 2) Provides the conditions by which an individual may apply for asylum, and enumerates the requirements for granting and receiving asylum, as specified. (8 U.S.C. Section 1158 et seq.)
- 3) Enumerates the conditions by which an Iraqi or Afghan national may receive a Special Immigrant Visa (SIV). Specifically:
 - a) The individual is a citizen or national of Iraq, was or is employed by or on behalf of the United States government in Iraq, and meets other immigration and security-related requirements, as specified; (National Defense Authorization Act for Fiscal Year 2008, Public Law 110-181, Section 1244)
 - b) The person is a citizen or national of Afghanistan, was or is employed by or on behalf of the United States government in Afghanistan, has “provided faithful and valuable service to the United States government,” and meets other immigration a security-related requirements. (Omnibus Appropriations Act, Public Law 111-8, Section 602)
 - c) The person is a national of Iraq of Afghanistan, has worked directly with United States Armed Forces as a translator for a period of at least 12 month, has obtained a favorable written recommendation from a general or flag officer in the chain of command of the United States Armed Forces unit that was supported by the person, and meets other immigration and security requirements, as specified. (National Defense Authorization Act for Fiscal Year 2006, Public Law 109-163, Section 1059)

EXISTING STATE LAW:

- 1) Establishes the Department of Consumer Affairs (Department) within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC) Section 100)
- 2) Creates various boards, bureaus, and commissions under the jurisdiction of the Department whose purpose are to regulate private businesses and professions deemed to engage in activities that have potential impact on the public health, safety, and welfare of the people of California. (BPC Section 101)

- 3) States that boards, bureaus, and commissions must establish minimum qualifications and levels of competency and license persons desiring to engage in the occupations they regulate, upon determining that such persons possess the requisite skills and qualifications necessary to provide safe and effective services to the public. (BPC Section 101.6)
- 4) Defines a “license” as a license, certificate, registration or other means to engage in a business or profession regulated by the BPC. (BPC Section 23.7)
- 5) Requires a board within the Department to expedite the initial licensure process for an applicant who supplies satisfactory evidence to the board that the applicant has served as an active duty member of the Armed Forces of the United States and was honorably discharged. (BPC Section 115.4)
- 6) Requires a board within the Department to expedite the initial licensure process for an applicant who supplies satisfactory evidence to the board that the applicant meets both of the following requirements:
 - a. Is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders.
 - b. Holds a current license in another state, district, or territory of the United States in the profession or vocation for which the applicant seeks a license from the board. (BPC 115.5)

THIS BILL:

- 1) Requires a licensing board under the Department to expedite the initial licensure process for an applicant who can demonstrate that they are:
 - a) A refugee admitted to the United States, as specified in federal law;
 - b) An individual granted asylum by the Secretary of Homeland Security or the Attorney General of the United States, as specified in federal law;
 - c) An SIV holder, as specified in federal law.
- 2) Clarifies that the provisions of the bill do not change existing licensure requirements, and that a person applying for expedited licensure as a refugee, asylee, or SIV must meet all existing applicable statutory and regulatory licensure requirements.
- 3) Specifies that a board may adopt regulations necessary to administer the provisions of the bill.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

Purpose. This bill is author-sponsored. According to the author “California has long been a global leader in providing a safe haven for refugees. But too often, these resilient families who have fled war and persecution struggle to rebuild their lives once they resettle in California.

Now, the challenges they face has been made worse by both the global coronavirus pandemic, and the divestment of the federal administration to assist refugee communities. AB 2113 will ensure that California continues to help our most vulnerable in challenging times and open economic opportunities for refugees. Under AB 2113, refugees, asylees and Special Immigrant Visa holders will be able to apply for expedited professional licensure, allowing them to pursue meaningful careers and become self-sustainable as they resettle in their new home.”

Background.

Expedited licensure under the Department. The Department consists of 37 boards and bureaus that regulate over 3.9 million licenses across 250 professions and occupations. License types range from acupuncturist, barbers, to nurses and veterinarians. Under existing law, each DCA licensing program is required to expedite the licensure process for applicants that served as active duty members of the Armed Forces and were honorably discharged, as well as for spouses and domestic partners of those on active duty in the Armed Forces.

This bill would add individuals who are refugees, asylees, and SIVs as eligible for expedited licensure. Of note, and as specified in the bill, expedited licensure does not change any existing licensure requirements set in law or regulations. Although the application timeline for those applying under expedited licensure will be accelerated, an applicant must still meet the minimum qualifications before being issued a license.

Refugees and asylees. The United States federal government has sole authority to regulate immigration. The Immigration and Nationality Act was enacted by the U.S. Congress in 1952, and establishes the structure and content of immigration law – including provisions on naturalization, and refugee assistance. Under the Act, the President of the United States and in consultation with Congress, may set the number of refugees accepted into the country every year. This numerical figure may be adjusted if an unforeseen emergency refugee situation exists, and is justified by grave humanitarian concerns.

The United States defines a refugee as “a person outside his or her country of nationality who is unable or unwilling to return to his or her country of nationality because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.” The definition is based on the United Nations 1951 Convention and the 1967 Protocol Related to the Status of Refugees, which the United States joined as a signatory in 1968.

Eligibility for refugee status is determined through interviews conducted by immigration officers in the United States Citizenship and Immigration Services (USCIS). Generally, admittance is based upon demonstrating that the person is legitimately fleeing persecution and has no other options available – but this does not guarantee that an applicant will be admitted in the United States. Once admitted as a refugee, and upon passing a security screening and health check, refugees are then resettled across various states through the federal Office of Refugee Resettlement.

Asylum is protection granted to foreign nationals already in the United States or at its borders and who meet the definition of refugee. If granted asylum, an asylee does not have to return to their home country, and is generally authorized to work in the United States. Similar to refugees, the asylum process is conducted through an interview with an officer of the USCIS. If denied

admission, the person may petition the decision before an immigration judge at the Executive Office for Immigration Review in the U.S. Department of Justice.

According to the United Nations Human Rights Council, there are nearly 25.9 million refugees around the world, half of whom are under the age of 18 – the highest level ever recorded. Much of this increase in recent years has been driven by armed conflicts in Syria, Myanmar, and the Democratic Republic of the Congo, El Salvador, Guatemala and Honduras. However, people are also being displaced in large numbers by conflicts in Burundi, the Central African Republic, Iraq, South Sudan, Sudan, Ukraine, and Yemen.

Special Immigrant Visa Holders. Special Immigrant Visas (SIVs) were created by the U.S. Congress during American military involvement in Iraq and Afghanistan. During these efforts abroad, U.S. military troops, diplomats and other government representatives relied heavily on Iraqi and Afghan nationals to provide translation, interpretation, transportation and security services – often at the risk of their own and their family’s lives. To recognize and reward these commitments, Congress established the SIV program in 2006 to provide these individuals admission and resettlement in the United States, as well as legal permanent residence.

To apply for an SIV, a person must submit a petition to the Department of Homeland Security. An Iraqi or Afghan SIV applicant whose petition is approved and who is abroad is required to have an in-person visa interview at a U.S. embassy or consulate to determine visa eligibility. Upon admission to the United States, SIV recipients are granted permanent legal status, and generally receive the same resettlement assistance as refugees.

Refugee admissions at the federal level. The United States government has considerably scaled back its refugee resettlement program in recent years. In 2017, President Trump lowered the refugee admission ceiling from 110,000 to 50,000. The admissions ceiling was lowered again to 45,000 in 2018, and again to 18,000 in 2019 – the lowest number in the program’s 40 year history.

Refugees in California. According to data pulled from the federal refugee processing center, approximately 6,339 refugees resettled in California since 2017. In California, refugee resettlement is administered by the Refugee Programs Bureau under the Department of Social Services, which has responsibility for managing and coordinating the delivery of benefits and services to refugees, partnership with counties and local service providers.

Resettlement Challenges. Refugees represent some of the most vulnerable members of society. Usually fleeing war and persecution, many refugees are survivors of human trafficking, torture, environmental disasters, and gender-based discrimination and violence. In the first few years of resettlement in a new home, refugees face the challenge of overcoming past trauma, acclimating to a new environment, and navigating cultural and linguistic barriers.

Financial insecurity is a critical issue for refugees. According to a 2018 Urban Institute study, certain refugee groups may experience significant underemployment challenges. Upward mobility may be hindered, as the pressure to find work quickly and becoming self-sufficient often push refugees to work in jobs that may not align with their education or skills. For refugee professionals wishing to return to their careers of interest, reobtaining certifications, credentials or licenses can be a lengthy process requiring significant financial and time commitment.

By facilitating expedited licensure for refugees, asylees and SIV holders, this bill aims to address these economic challenges and provide opportunities to improve financial outcomes during resettlement.

Current Related Legislation. None.

Prior Related Legislation.

SB 1226 (Correa, Chapter 657, Statutes of 2014) - Veterans: professional licensing: Required licensing boards to expedite, or when applicable assist, the initial licensure process for an applicant who supplies satisfactory evidence to the board that he or she has served as an active duty member of the Armed Forces of the United States and was honorably discharged.

ARGUMENTS IN SUPPORT:

The International Rescue Committee writes in support: “Refugees, asylees, and SIV’s are forced to flee their homes and often leave behind established careers and education pursuits. After waiting years to enter the United States, they are eager to continue their professional careers and ambitions. All too often, refugees, SIVs and asylees arriving in the United States are forced to work entry level jobs, earning far less than their full potential and inhibiting their ability to expeditiously achieve financial self-sufficiency. Already California has passed legislation that allows refugees and SIV’s to access in state tuition rates at state community colleges upon arrival. AB 2113 seeks to harness the full economic potential of professional newcomers who make California their home by expediting their entry into the professional workforce. This access enables more rapid financial success which benefits not just the client but the economy of California. Refugees are eager to rebuild their lives in the U.S. Their resilience combined with the support of our communities is a testament to this state.”

The California Immigrant Policy Center writes in support: “AB 2113 would provide equitable access to professional licenses for SIV holders and refugees. Expediting a licensing application will ensure that refugees and SIVs – who already face trauma, discrimination, and economic hardship – are able to find skilled employment more quickly and establish a strong financial footing in their new home.”

The National Association of Social Workers, California Chapter writes in support: “The Trump administration continues to scapegoat immigrants to promote its xenophobic agenda – making it harder for refugee families fleeing violence to build new and productive lives. While the President continues to promote cruel policies towards immigrants, AB 2113 will ensure that California is a place where the most vulnerable can find the opportunities to thrive and succeed.”

The Santa Barbara Women’s Political Committee writes in support: “We are aware that under the current law refugees, asylees and immigrants are allowed to apply for licensure through the California Department of Consumer Affairs but the process is slow. The amendment would expedite the licensure procedure for applicants who have supplied the required evidence that they are a refugee, have been granted political asylum or have a special immigrant visa. This expedited process would allow those individuals to obtain their professional license in a timely manner providing the means to support themselves and their families and to contribute skilled professional work in California on as a supporter of AB 2113.”

The Service Employees International Union State Council, the Coalition for Humane Immigrant Rights, the California Pan-Ethnic Health Network, Asian Americans Advancing Justice California, and Asian Americans for Community Involvement collectively write in support: “AB 2113 will provide a pathway to financial opportunity for refugees and asylees, by allowing their application for a professional license to be expedited [...] ensuring that refugees are able to find skilled employment quickly and establish a strong financial footing in these uncertain times.”

ARGUMENTS IN OPPOSITION:

None on file.

REGISTERED SUPPORT:

International Rescue Committee
California Immigrant Policy Center
National Association of Social Workers, California Chapter
Santa Barbara Women’s Political Committee
Service Employees International Union State Council
Coalition for Humane Immigrant Rights
California Pan-Ethnic Health Network
Asian Americans Advancing Justice California
Asian Americans for Community Involvement

REGISTERED OPPOSITION:

None on file.

Analysis Prepared by: Patrick Le / B. & P. / (916) 319-3301

**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**
Senator Steven Glazer, Chair
2019 - 2020 Regular

Bill No:	AB 2113	Hearing Date:	August 8, 2020
Author:	Low		
Version:	August 4, 2020		
Urgency:	No	Fiscal:	Yes
Consultant:	Sarah Mason		

Subject: Refugees, asylees, and special immigrant visa holders: professional licensing: initial licensure process

SUMMARY: Requires licensing boards under the Department of Consumer Affairs (DCA) to expedite licensure applications for refugees, asylees, and special immigrant visa holders.

Existing Federal Law:

- 1) States that the President of the United States, in consultation with Congress, may determine the maximum number of annual admission of refugees, as specified. (8 United States Code (U.S.C.) Section 1157 et seq.)
- 2) Provides the conditions by which an individual may apply for asylum, and enumerates the requirements for granting and receiving asylum, as specified. (8 U.S.C. Section 1158 et seq.)
- 3) Enumerates the conditions by which an Iraqi or Afghan national may receive a Special Immigrant Visa (SIV). Specifically:
 - a) The individual is a citizen or national of Iraq, was or is employed by or on behalf of the United States government in Iraq, and meets other immigration and security-related requirements, as specified; (National Defense Authorization Act for Fiscal Year 2008, Public Law 110-181, Section 1244)
 - b) The person is a citizen or national of Afghanistan, was or is employed by or on behalf of the United States government in Afghanistan, has “provided faithful and valuable service to the United States government,” and meets other immigration and security-related requirements. (Omnibus Appropriations Act, Public Law 111-8, Section 602)
 - c) The person is a national of Iraq or Afghanistan, has worked directly with United States Armed Forces as a translator for a period of at least 12 month, has obtained a favorable written recommendation from a general or flag officer in the chain of command of the United States Armed Forces unit that was supported by the person, and meets other immigration and security requirements, as specified. (National Defense Authorization Act for Fiscal Year 2006, Public Law 109-163, Section 1059)

Existing State Law:

- 1) States that boards, bureaus, and commissions within the DCA must establish minimum qualifications and levels of competency and license persons desiring to engage in the occupations they regulate, upon determining that such persons possess the requisite skills and qualifications necessary to provide safe and effective services to the public. (Business and Professions Code (BPC) § 101.6)
- 2) Requires a board to expedite the initial licensure process for an applicant who supplies satisfactory evidence to the board that the applicant has served as an active duty member of the Armed Forces of the United States and was honorably discharged. (BPC § 115.4)
- 3) Requires a board to expedite the initial licensure process for an applicant who supplies satisfactory evidence to the board that the applicant meets both of the following requirements:
 - a) Is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders.
 - b) Holds a current license in another state, district, or territory of the United States in the profession or vocation for which the applicant seeks a license from the board. (BPC § 115.5)

This bill:

- 1) Requires a licensing board to expedite the initial licensure process for an applicant who can demonstrate that they are:
 - a) A refugee admitted to the United States, as specified in federal law;
 - b) An individual granted asylum by the Secretary of Homeland Security or the Attorney General of the United States, as specified in federal law;
 - c) An SIV holder, as specified in federal law.
- 2) Clarifies that the provisions of the bill do not change existing licensure requirements, and that a person applying for expedited licensure as a refugee, asylee, or SIV must meet all existing applicable statutory and regulatory licensure requirements.
- 3) Specifies that a board may adopt regulations necessary to administer the provisions of the bill.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, this bill will result in one-time information technology costs, ranging from negligible to the low hundreds of thousands of dollars, to DCA depending on the number of boards impacted and how the expedited reason is tracked and other minor and absorbable costs to boards.

COMMENTS:

1. **Purpose.** The Author is the sponsor of this bill. According to the Author “California has long been a global leader in providing a safe haven for refugees. But too often, these resilient families who have fled war and persecution struggle to rebuild their lives once they resettle in California. Now, the challenges they face has been made worse by both the global coronavirus pandemic, and the divestment of the federal administration to assist refugee communities. AB 2113 will ensure that California continues to help our most vulnerable in challenging times and open economic opportunities for refugees. Under AB 2113, refugees, asylees and Special Immigrant Visa holders will be able to apply for expedited professional licensure, allowing them to pursue meaningful careers and become self-sustainable as they resettle in their new home.”

2. **Background.**

Expedited licensure. Under existing law, each DCA licensing program is required to expedite the licensure process for applicants that served as active duty members of the Armed Forces and were honorably discharged, as well as for spouses and domestic partners of those on active duty in the Armed Forces. This bill would add individuals who are refugees, asylees, and SIVs as eligible for expedited licensure. Of note, and as specified in the bill, expedited licensure does not change any existing licensure requirements set in law or regulations. Although the application timeline for those applying under expedited licensure will be accelerated, an applicant must still meet the minimum qualifications before being issued a license.

3. *Refugees and asylees.* The United States federal government has sole authority to regulate immigration. The Immigration and Nationality Act was enacted by the U.S. Congress in 1952, and establishes the structure and content of immigration law – including provisions on naturalization, and refugee assistance. Under the Act, the President of the United States and in consultation with Congress may set the number of refugees accepted into the country every year. This numerical figure may be adjusted if an unforeseen emergency refugee situation exists, and is justified by grave humanitarian concerns.

The United States defines a refugee as “a person outside his or her country of nationality who is unable or unwilling to return to his or her country of nationality because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.” The definition is based on the United Nations 1951 Convention and the 1967 Protocol Related to the Status of Refugees, which the United States joined as a signatory in 1968.

Eligibility for refugee status is determined through interviews conducted by immigration officers in the United States Citizenship and Immigration Services (USCIS). Generally, admittance is based upon demonstrating that the person is legitimately fleeing persecution and has no other options available – but this does not guarantee that an applicant will be admitted in the United States. Once admitted as a refugee, and upon passing a security screening and health check, refugees are

then resettled across various states through the federal Office of Refugee Resettlement.

Asylum is protection granted to foreign nationals already in the United States or at its borders and who meet the definition of refugee. If granted asylum, an asylee does not have to return to their home country, and is generally authorized to work in the United States. Similar to refugees, the asylum process is conducted through an interview with an officer of the USCIS. If denied admission, the person may petition the decision before an immigration judge at the Executive Office for Immigration Review in the U.S. Department of Justice.

According to the United Nations Human Rights Council, there are nearly 25.9 million refugees around the world, half of whom are under the age of 18 – the highest level ever recorded. Much of this increase in recent years has been driven by armed conflicts in Syria, Myanmar, and the Democratic Republic of the Congo, El Salvador, Guatemala and Honduras. However, people are also being displaced in large numbers by conflicts in Burundi, the Central African Republic, Iraq, South Sudan, Sudan, Ukraine, and Yemen.

Special Immigrant Visa Holders. The U.S. Congress created special Immigrant Visas (SIVs) during American military involvement in Iraq and Afghanistan. During these efforts abroad, U.S. military troops, diplomats and other government representatives relied heavily on Iraqi and Afghan nationals to provide translation, interpretation, transportation and security services – often at the risk of their own and their family's lives. To recognize and reward these commitments, Congress established the SIV program in 2006 to provide these individuals admission and resettlement in the United States, as well as legal permanent residence.

To apply for an SIV, a person must submit a petition to the Department of Homeland Security. An Iraqi or Afghan SIV applicant whose petition is approved and who is abroad is required to have an in-person visa interview at a U.S. embassy or consulate to determine visa eligibility. Upon admission to the United States, SIV recipients are granted permanent legal status, and generally receive the same resettlement assistance as refugees.

Refugee admissions at the federal level. The United States government has considerably scaled back its refugee resettlement program in recent years. In 2017, President Trump lowered the refugee admission ceiling from 110,000 to 50,000. The admissions ceiling was lowered again to 45,000 in 2018, and again to 18,000 in 2019 – the lowest number in the program's 40-year history.

Refugees in California. According to data pulled from the federal refugee processing center, approximately 6,339 refugees resettled in California since 2017. In California, refugee resettlement is administered by the Refugee Programs Bureau under the Department of Social Services, which has responsibility for managing and coordinating the delivery of benefits and services to refugees, partnership with counties and local service providers.

Resettlement Challenges. Refugees represent some of the most vulnerable members of society. Usually fleeing war and persecution, many refugees are

survivors of human trafficking, torture, environmental disasters, and gender-based discrimination and violence. In the first few years of resettlement in a new home, refugees face the challenge of overcoming past trauma, acclimating to a new environment, and navigating cultural and linguistic barriers.

Financial insecurity is a critical issue for refugees. According to a 2018 Urban Institute study, certain refugee groups may experience significant underemployment challenges. Upward mobility may be hindered, as the pressure to find work quickly and becoming self-sufficient often push refugees to work in jobs that may not align with their education or skills. For refugee professionals wishing to return to their careers of interest, reobtaining certifications, credentials or licenses can be a lengthy process requiring significant financial and time commitment.

By facilitating expedited licensure for refugees, asylees and SIV holders, this bill aims to address these economic challenges and provide opportunities to improve financial outcomes during resettlement.

4. **Arguments in Support.** The International Rescue Committee states “Refugees, asylees, and SIV’s are forced to flee their homes and often leave behind established careers and education pursuits. After waiting years to enter the United States, they are eager to continue their professional careers and ambitions. All too often, refugees, SIVs and asylees arriving in the United States are forced to work entry level jobs, earning far less than their full potential and inhibiting their ability to expeditiously achieve financial self-sufficiency. Already California has passed legislation that allows refugees and SIV’s to access in state tuition rates at state community colleges upon arrival. AB 2113 seeks to harness the full economic potential of professional newcomers who make California their home by expediting their entry into the professional workforce. This access enables more rapid financial success which benefits not just the client but the economy of California. Refugees are eager to rebuild their lives in the U.S. Their resilience combined with the support of our communities is a testament to this state.”

According to The California Immigrant Policy Center, “AB 2113 would provide equitable access to professional licenses for SIV holders and refugees. Expediting a licensing application will ensure that refugees and SIVs – who already face trauma, discrimination, and economic hardship – are able to find skilled employment more quickly and establish a strong financial footing in their new home.”

The National Association of Social Workers, California Chapter writes in support, “The Trump administration continues to scapegoat immigrants to promote its xenophobic agenda – making it harder for refugee families fleeing violence to build new and productive lives. While the President continues to promote cruel policies towards immigrants, AB 2113 will ensure that California is a place where the most vulnerable can find the opportunities to thrive and succeed.”

The Santa Barbara Women’s Political Committee states that “We are aware that under the current law refugees, asylees and immigrants are allowed to apply for licensure through the California Department of Consumer Affairs but the process is slow. The amendment would expedite the licensure procedure for applicants who have supplied the required evidence that they are a refugee, have been granted

political asylum or have a special immigrant visa. This expedited process would allow those individuals to obtain their professional license in a timely manner providing the means to support themselves and their families and to contribute skilled professional work in California on as a supporter of AB 2113.”

According to The Service Employees International Union State Council, the Coalition for Humane Immigrant Rights, the California Pan-Ethnic Health Network, Asian Americans Advancing Justice California, and Asian Americans for Community Involvement collectively write in support: “AB 2113 will provide a pathway to financial opportunity for refugees and asylees, by allowing their application for a professional license to be expedited [...] ensuring that refugees are able to find skilled employment quickly and establish a strong financial footing in these uncertain times.”

SUPPORT AND OPPOSITION:

Support:

Asian Americans Advancing Justice
Asian Americans for Community Involvement
Board of Behavioral Sciences
California Board of Accountancy
California Immigrant Policy Center
California Pan - Ethnic Health Network
California State Council of Service Employees International Union
Coalition for Humane Immigrant Rights
International Rescue Committee
National Association of Social Workers, California Chapter
Santa Barbara Women's Political Committee

Opposition:

None on file

-- END --



AB-2520 Access to medical records. (2019-2020)

SHARE THIS:



Date Published: 09/21/2020 02:00 PM

Assembly Bill No. 2520

CHAPTER 101

An act to amend Sections 123105 and 123110 of, and to add Section 123114 to, the Health and Safety Code, relating to medical records.

[Approved by Governor September 18, 2020. Filed with Secretary of State September 18, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2520, Chiu. Access to medical records.

Existing law governs a patient's access to their health records. Existing law requires a health care provider, as defined, to provide a patient or the patient's representative with all or any part of the patient's medical records that the patient has a right to inspect, subject to the payment of clerical costs incurred in locating and making the records available, following a written request from the patient. Existing law requires the health care provider to provide one copy of the relevant portion of the patient's record at no charge if the patient or patient's representative presents proof to the provider that the records are needed to support an appeal regarding eligibility for a public benefit program, as defined. Existing law makes a willful violation of these provisions by specified health care providers an infraction.

This bill would require a health care provider to provide an employee of a nonprofit legal services entity representing the patient a copy of the medical records at no charge under those conditions, and would include speech-language pathologists, audiologists, physician assistants, and nurse practitioners within the definition of a health care provider. The bill would expand the definition of a public benefit program for these purposes to include the Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants, and a government-funded housing subsidy or tenant-based housing assistance program. The bill additionally would require a health care provider to provide the records at no charge upon proof that the records are needed for a petition for U nonimmigrant status under the Victims of Trafficking and Violence Protection Act or a self-petition for lawful permanent residency under the Violence Against Women Act. By expanding the requirements on health care providers and thereby expanding a crime, this bill would create a state-mandated local program.

This bill also would prohibit a health care provider from charging a fee to a patient for filling out forms or providing information responsive to forms that support a claim or appeal regarding eligibility for a public benefit program. The bill would require the health care provider to provide information responsive to those portions of the form for which the health care provider has the information necessary to provide a medical opinion, as specified. The bill would authorize a health care provider to honor a request to disclose a patient record or complete a public benefit form that contains the written or electronic signature of the patient or the patient's personal representative.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 123105 of the Health and Safety Code is amended to read:

123105. As used in this chapter:

(a) "Health care provider" means any of the following:

- (1) A health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2.
 - (2) A clinic licensed pursuant to Chapter 1 (commencing with Section 1200) of Division 2.
 - (3) A home health agency licensed pursuant to Chapter 8 (commencing with Section 1725) of Division 2.
 - (4) A physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code or pursuant to the Osteopathic Act.
 - (5) A podiatrist licensed pursuant to Article 22 (commencing with Section 2460) of Chapter 5 of Division 2 of the Business and Professions Code.
 - (6) A dentist licensed pursuant to Chapter 4 (commencing with Section 1600) of Division 2 of the Business and Professions Code.
 - (7) A psychologist licensed pursuant to Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code.
 - (8) An optometrist licensed pursuant to Chapter 7 (commencing with Section 3000) of Division 2 of the Business and Professions Code.
 - (9) A chiropractor licensed pursuant to the Chiropractic Initiative Act.
 - (10) A marriage and family therapist licensed pursuant to Chapter 13 (commencing with Section 4980) of Division 2 of the Business and Professions Code.
 - (11) A clinical social worker licensed pursuant to Chapter 14 (commencing with Section 4990) of Division 2 of the Business and Professions Code.
 - (12) A physical therapist licensed pursuant to Chapter 5.7 (commencing with Section 2600) of Division 2 of the Business and Professions Code.
 - (13) An occupational therapist licensed pursuant to Chapter 5.6 (commencing with Section 2570).
 - (14) A professional clinical counselor licensed pursuant to Chapter 16 (commencing with Section 4999.10) of Division 2 of the Business and Professions Code.
 - (15) A speech-language pathologist or audiologist licensed pursuant to Chapter 5.3 (commencing with Section 2530) of Division 2 of the Business and Professions Code.
 - (16) A physician assistant licensed pursuant to Chapter 7.7 (commencing with Section 3500) of Division 2 of the Business and Professions Code.
 - (17) A nurse practitioner licensed pursuant to Article 8 (commencing with Section 2834) of Chapter 6 of Division 2 of the Business and Professions Code.
- (b) "Mental health records" means patient records, or discrete portions thereof, specifically relating to evaluation or treatment of a mental disorder. "Mental health records" includes, but is not limited to, all alcohol and drug abuse records.
- (c) "Patient" means a patient or former patient of a health care provider.

(d) "Patient records" means records in any form or medium maintained by, or in the custody or control of, a health care provider relating to the health history, diagnosis, or condition of a patient, or relating to treatment provided or proposed to be provided to the patient. "Patient records" includes only records pertaining to the patient requesting the records or whose representative requests the records. "Patient records" does not include information given in confidence to a health care provider by a person other than another health care provider or the patient, and that material may be removed from any records prior to inspection or copying under Section 123110 or 123115. "Patient records" does not include information contained in aggregate form, such as indices, registers, or logs.

(e) "Patient's representative," "patient's personal representative," or "representative" means any of the following:

(1) A parent or guardian of a minor who is a patient.

(2) The guardian or conservator of the person of an adult patient.

(3) An agent as defined in Section 4607 of the Probate Code, to the extent necessary for the agent to fulfill the duties set forth in Division 4.7 (commencing with Section 4600) of the Probate Code.

(4) The beneficiary as defined in Section 24 of the Probate Code or personal representative as defined in Section 58 of the Probate Code, of a deceased patient.

(f) "Alcohol and drug abuse records" means patient records, or discrete portions thereof, specifically relating to evaluation and treatment of alcoholism or drug abuse.

SEC. 2. Section 123110 of the Health and Safety Code is amended to read:

123110. (a) Notwithstanding Section 5328 of the Welfare and Institutions Code, and except as provided in Sections 123115 and 123120, any adult patient of a health care provider, any minor patient authorized by law to consent to medical treatment, and any patient's personal representative shall be entitled to inspect patient records upon presenting to the health care provider a request for those records and upon payment of reasonable costs, as specified in subdivision (k). However, a patient who is a minor shall be entitled to inspect patient records pertaining only to health care of a type for which the minor is lawfully authorized to consent. A health care provider shall permit this inspection during business hours within five working days after receipt of the request. The inspection shall be conducted by the patient or patient's personal representative requesting the inspection, who may be accompanied by one other person of their choosing.

(b) (1) Additionally, any patient or patient's personal representative shall be entitled to a paper or electronic copy of all or any portion of the patient records that they have a right to inspect, upon presenting a request to the health care provider specifying the records to be copied, together with a fee to defray the costs of producing the copy or summary, as specified in subdivision (k). The health care provider shall ensure that the copies are transmitted within 15 days after receiving the request.

(2) The health care provider shall provide the patient or patient's personal representative with a copy of the record in the form and format requested if it is readily producible in the requested form and format, or, if not, in a readable paper copy form or other form and format as agreed to by the health care provider and the patient or patient's personal representative. If the requested patient records are maintained electronically and if the patient or patient's personal representative requests an electronic copy of those records, the health care provider shall provide them in the electronic form and format requested if they are readily producible in that form and format, or, if not, in a readable electronic form and format as agreed to by the health care provider and the patient or patient's personal representative.

(c) Copies of X-rays or tracings derived from electrocardiography, electroencephalography, or electromyography need not be provided to the patient or patient's personal representative under this section, if the original X-rays or tracings are transmitted to another health care provider upon written request of the patient or patient's personal representative and within 15 days after receipt of the request. The request shall specify the name and address of the health care provider to whom the records are to be delivered. All reasonable costs, not exceeding actual costs, incurred by a health care provider in providing copies pursuant to this subdivision may be charged to the patient or representative requesting the copies.

(d) (1) Notwithstanding any provision of this section, and except as provided in Sections 123115 and 123120, a patient, employee of a nonprofit legal services entity representing the patient, or the personal representative of a patient, is entitled to a copy, at no charge, of the relevant portion of the patient's records, upon presenting to the provider a written request, and proof that the records or supporting forms are needed to support a claim or

appeal regarding eligibility for a public benefit program, a petition for U nonimmigrant status under the Victims of Trafficking and Violence Protection Act, or a self-petition for lawful permanent residency under the Violence Against Women Act. A public benefit program includes the Medi-Cal program, the In-Home Supportive Services Program, the California Work Opportunity and Responsibility to Kids (CalWORKs) program, Social Security Disability Insurance benefits, Supplemental Security Income/State Supplementary Program for the Aged, Blind and Disabled (SSI/SSP) benefits, federal veterans service-connected compensation and nonservice connected pension disability benefits, CalFresh, the Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants, and a government-funded housing subsidy or tenant-based housing assistance program.

(2) Although a patient shall not be limited to a single request, the patient, employee of a nonprofit legal services entity representing the patient, or patient's personal representative shall be entitled to no more than one copy of any relevant portion of their record free of charge.

(3) This subdivision shall not apply to any patient who is represented by a private attorney who is paying for the costs related to the patient's claim or appeal, pending the outcome of that claim or appeal. For purposes of this subdivision, "private attorney" means any attorney not employed by a nonprofit legal services entity.

(e) If a patient, employee of a nonprofit legal services entity representing the patient, or the patient's personal representative requests a record pursuant to subdivision (d), the health care provider shall ensure that the copies are transmitted within 30 days after receiving the written request.

(f) This section shall not be construed to preclude a health care provider from requiring reasonable verification of identity prior to permitting inspection or copying of patient records, provided this requirement is not used oppressively or discriminatorily to frustrate or delay compliance with this section. This section does not supersede any rights that a patient or personal representative might otherwise have or exercise under Section 1158 of the Evidence Code or any other provision of law. This chapter does not require a health care provider to retain records longer than required by applicable statutes or administrative regulations.

(g) (1) This chapter shall not be construed to render a health care provider liable for the quality of their records or the copies provided in excess of existing law and regulations with respect to the quality of medical records. A health care provider shall not be liable to the patient or any other person for any consequences that result from disclosure of patient records as required by this chapter. A health care provider shall not discriminate against classes or categories of providers in the transmittal of X-rays or other patient records, or copies of these X-rays or records, to other providers as authorized by this section.

(2) Every health care provider shall adopt policies and establish procedures for the uniform transmittal of X-rays and other patient records that effectively prevent the discrimination described in this subdivision. A health care provider may establish reasonable conditions, including a reasonable deposit fee, to ensure the return of original X-rays transmitted to another health care provider, provided the conditions do not discriminate on the basis of, or in a manner related to, the license of the provider to which the X-rays are transmitted.

(h) Any health care provider described in paragraphs (4) to (10), inclusive, of subdivision (a) of Section 123105 who willfully violates this chapter is guilty of unprofessional conduct. Any health care provider described in paragraphs (1) to (3), inclusive, of subdivision (a) of Section 123105 that willfully violates this chapter is guilty of an infraction punishable by a fine of not more than one hundred dollars (\$100). The state agency, board, or commission that issued the health care provider's professional or institutional license shall consider a violation as grounds for disciplinary action with respect to the licensure, including suspension or revocation of the license or certificate.

(i) This section prohibits a health care provider from withholding patient records or summaries of patient records because of an unpaid bill for health care services. Any health care provider who willfully withholds patient records or summaries of patient records because of an unpaid bill for health care services is subject to the sanctions specified in subdivision (h).

(j) (1) Except as provided in subdivision (d), a health care provider may impose a reasonable, cost-based fee for providing a paper or electronic copy or summary of patient records, provided the fee includes only the cost of the following:

(A) Labor for copying the patient records requested by the patient or patient's personal representative, whether in paper or electronic form.

(B) Supplies for creating the paper copy or electronic media if the patient or patient's personal representative requests that the electronic copy be provided on portable media.

(C) Postage, if the patient or patient's personal representative has requested the copy, or the summary or explanation, be mailed.

(D) Preparing an explanation or summary of the patient record, if agreed to by the patient or patient's personal representative.

(2) The fee from a health care provider shall not exceed twenty-five cents (\$0.25) per page for paper copies or fifty cents (\$0.50) per page for records that are copied from microfilm.

SEC. 3. Section 123114 is added to the Health and Safety Code, to read:

123114. (a) A health care provider shall not charge a fee to a patient for filling out forms or providing information responsive to forms that support a claim or appeal regarding eligibility for a public benefit program.

(b) A health care provider shall provide information responsive to those portions of the form for which the health care provider has the information necessary to provide a medical opinion. If the health care provider does not have the information necessary to provide a medical opinion, the health care provider may inform the patient if an examination is necessary to obtain the information.

(c) If a health care provider conducts an examination pursuant to subdivision (b), the health care provider shall provide information responsive to those portions of the form for which the health care provider has a medical opinion.

(d) For the purposes of this section, a public benefit program includes the Medi-Cal program, the In-Home Supportive Services Program, the California Work Opportunity and Responsibility to Kids (CalWORKs) program, Social Security Disability Insurance benefits, Supplemental Security Income/State Supplementary Program for the Aged, Blind and Disabled (SSI/SSP) benefits, federal veterans service-connected compensation and nonservice connected pension disability benefits, discharge of a federal student loan based on total and permanent disability, CalFresh, the Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants, and a government-funded housing subsidy or tenant-based housing assistance program.

(e) Notwithstanding any other law, a health care provider may honor a request to disclose a patient record or complete a public benefit form that contains the written or electronic signature of the patient or the patient's personal representative.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



SB-1474 Business and professions. (2019-2020)

SHARE THIS:  

Date Published: 09/30/2020 09:00 PM

Senate Bill No. 1474

CHAPTER 312

An act to amend Sections 27, 101, 125.9, 130, 144, 200.1, 205, 494.5, 1000, 1913, 1917, 1917.1, 1922, 2065, 2113, 2135.5, 2460, 2531, 2531.75, 2570.19, 2602, 2607.5, 2841, 2847.1, 2847.3, 2920, 2933, 3504, 3512, 3686, 3710, 3716, 4001, 4003, 4501, 4503, 4604, 4621, 4800, 4804.5, 4990, 4990.04, 5600.4, 5810, 7000, 7000.5, 7000.6, 7011.4, 7011.5, 7011.8, 7015, 7017.3, 7028.7, 7030, 7031, 7058.7, 7071.4, 7080.5, 7085.5, 7099.2, 7123.5, 7135, 7136, 7137, 7137.5, 7138, 7139.1, 7139.2, 7141.5, 7145.5, 7159, 7170, 7303, 7512.3, 7512.14, 7512.15, 7520.3, 7525.1, 7529, 7533.5, 7538, 7538.5, 7539, 8516, 10050, 11301, 16100, and 19164 of, and to add Section 7099.9 to, the Business and Professions Code, to add Section 1670.8.5 to the Civil Code, and to amend Section 94950 of the Education Code, relating to business and professions, and making an appropriation therefor.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1474, Committee on Business, Professions and Economic Development. Business and professions.

(1) Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board in the Department of Consumer Affairs. Existing law requires fees and penalties received pursuant to the law to be deposited in the Contractors' License Fund, a continuously appropriated fund, except that certain service fees for the deposit of money in lieu of paying a bond are required to be deposited in the Contractors' Deposit Fund.

This bill would rename the Contractors' State license Law as the Contractors State License Law, would rename the Contractors' State License Board as the Contractors State License Board, and would rename the Contractors' License Fund as the Contractors License Fund. The bill would delete the provision establishing the Contractors' Deposit Fund, and would therefore require those service fees to be deposited in the Contractors License Fund. By authorizing a new source of revenue to be deposited into a continuously appropriated fund, the bill would make an appropriation.

Existing law authorizes a licensee who is subject to a bonding provision under the law, in lieu of giving a bond, to deposit money or a cashier's check with the registrar of contractors.

This bill would prohibit the deposit from being released if the board is notified of a civil action against the deposit and, if the amount of the deposit is insufficient to pay all claims, would require the deposit to be distributed to claimants in proportion to the amount of the claims.

Existing law authorizes the registrar of contractors to grant the retroactive renewal of a license if, within 90 days from the due date, the licensee requests the retroactive renewal in a petition to the registrar, shows that the failure to renew was due to circumstances beyond their control, files an application for renewal on a form prescribed by the registrar, and pays the appropriate renewal and delinquency fees.

This bill, instead, would require the registrar to grant the retroactive renewal of a license if, within 90 days of the expiration of the license, the otherwise eligible licensee submits a completed application for renewal and pays the renewal and delinquency fees. The bill would delete the requirement that the licensee demonstrate that the delay was due to circumstances beyond the licensee's control, and would deem an application for renewal submitted for purposes of these provisions if it is delivered to the board's headquarters or postmarked within 90 days of the expiration of the license.

(2) Existing law establishes the Landscape Architects Technical Committee to assist the California Architects Board in examining candidates for a landscape architect's license. Existing law, on and after January 1, 2021, requires an applicant to furnish to the committee a full set of fingerprints for purposes of conducting criminal history record checks.

This bill would revise the date on which this requirement becomes effective to January 1, 2022.

(3) Existing law, the Chiropractic Act, enacted by an initiative measure, provides for the licensure and regulation of chiropractors in this state by the State Board of Chiropractic Examiners. Existing law requires that the powers and duties of the board, as provided, be subject to review by the appropriate policy committees of the Legislature as if that act were scheduled to be repealed on January 1, 2022.

This bill would require that the powers and duties of the board, as provided, be subject to review by the appropriate policy committees of the Legislature as if that act were scheduled to be repealed on January 1, 2023.

(4) Existing law authorizes the State Board of Chiropractic Examiners and the Osteopathic Medical Board of California and any board within the Department of Consumer Affairs to issue a citation that may contain an order of abatement or an order to pay an administrative fine, and provides that a failure to pay a fine within 30 days of the date of assessment may result in disciplinary action.

This bill would also make a failure to comply with the order of abatement within 30 days of the date of the order subject to disciplinary action.

(5) Existing law provides for the licensure and regulation of registered dental hygienists by the Dental Hygiene Board of California. Existing law authorizes a registered dental hygienist to perform a procedure or provide a service within the scope of their practice under the appropriate level of supervision, as specified.

This bill would also require a registered dental hygienist to have completed the appropriate education and training required to perform the procedure or provide the service.

Existing law requires a person to have satisfactorily completed a specified examination within the preceding 2 years as a condition of licensure as a registered dental hygienist.

This bill would instead require completion of the dental hygiene examination within the preceding 3 years.

Existing law requires a person, as a condition for licensure as a registered dental hygienist in alternative practice, to successfully complete a bachelor's degree or its equivalent from an accredited college or institution of higher education, among other requirements.

This bill would specify that the equivalent of a bachelor's degree is recognized as a minimum of 120 semester credit hours or 180 quarter credit hours in postsecondary education.

(6) Existing law, the Medical Practice Act, provides for the licensure and regulation of physicians and surgeons by the Medical Board of California, and requires an applicant for a physician's and surgeon's license who has completed 36 months of approved postgraduate training in another state or Canada and who is accepted into an approved postgraduate training program in California to obtain their physician's and surgeon's license within 90 days after beginning the postgraduate training program.

This bill would delete the requirement that the person be accepted into an approved postgraduate training in another state or Canada.

Existing law authorizes the Medical Board of California, in its discretion, to waive certain examination and certification requirements for licensure for a graduate of a foreign medical school who holds a certificate of registration issued by the board to practice medicine as a full-time faculty member at a medical school.

This bill would also authorize the board to accept clinical practice in an appointment as qualifying time to meet specified postgraduate training requirements for licensure for those registrants.

Existing law authorizes the Medical Board of California, upon and review and recommendation, to determine that an applicant for a physician and surgeon's certificate has satisfied the medical education and examination requirements for an applicant who holds an unlimited and unrestricted license as a physician and surgeon in another state and has held the license continuously for a minimum of 4 years, subject to satisfaction of specified requirements.

This bill would also require the applicant to meet specified postgraduate training requirements.

(7) Existing law, the Architects Practice Act, provides for the licensure and regulation of architects by the California Architects Board. Existing law requires the board to issue a retired license to an architect who meets specified requirements, and also provides for the restoration of a retired license to active status upon satisfaction of specified requirements applicable to licenses that are not renewed within 5 years of its expiration.

This bill would also authorize the restoration of a retired license to active status upon satisfaction of specified requirements applicable to licenses that are renewed within 5 years of its expiration.

(8) Existing law provides for the January 1, 2021, repeal of provisions creating the Podiatric Medical Board of California, the Board of Vocational Nursing and Psychiatric Technicians of the State of California, the Board of Psychology, the Physician Assistant Board, the California State Board of Pharmacy, the Veterinary Medical Board, the Board of Behavioral Sciences, and the State Board of Barbering and Cosmetology.

This bill would extend the operation of those provisions to January 1, 2022, and make conforming changes relating to the appointment of an executive officer, as applicable.

(9) Existing law provides for the January 1, 2022, repeal of provisions regulating naturopathic medicine and interior design and provisions creating the California Board of Occupational Therapy, the Physical Therapy Board of California, the Respiratory Care Board of California, and the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.

This bill would extend the operation of those provisions to January 1, 2023, and make conforming changes relating to the appointment of an executive officer, as applicable.

(10) Existing law, the Massage Therapy Act, until January 1, 2021, provides for the certification and regulation of massage therapists by the California Massage Therapy Council.

This bill would extend the operation of the Massage Therapy Act to January 1, 2022, and make conforming changes relating to massage therapist certification requirements.

(11) Existing law, the Private Investigator Act, provides for the licensure and regulation of private investigators by the Bureau of Security and Investigative Services. Existing law, until January 1, 2021, authorizes the bureau to issue a private investigator license to a limited liability company. A violation of the act is a crime.

This bill would extend that date to January 1, 2024. By extending the operation of these provisions, the bill would impose a state-mandated local program.

(12) Existing law, the Real Estate Law, provides for the licensure and regulation of real estate brokers by the Real Estate Commissioner, the chief officer of the Department of Real Estate within the Business, Consumer Services, and Housing Agency. The Real Estate Law subjects the powers and duties of the department, under specified provisions of law, to review by the appropriate policy committees of the Legislature, performed as if those provisions were scheduled to be repealed as of January 1, 2021.

This bill would extend that date to January 1, 2022.

(13) Existing law, the Real Estate Appraisers' Licensing and Certification Law, creates a Bureau of Real Estate Appraisers within the Department of Consumer Affairs to administer and enforce that law. The Real Estate Appraisers' Licensing and Certification Law subjects the powers and duties of the bureau to review by the appropriate policy committees of the Legislature, performed as if that law were scheduled to be repealed as of January 1, 2021.

This bill would extend that date to January 1, 2022.

(14) Existing law regulates the formation and enforcement of contracts, including what constitutes an unlawful contract. Under existing law, a contract is unlawful if it is contrary to an express provision of law, contrary to the policy of express law, though not expressly prohibited, or otherwise contrary to good morals.

Existing law regulates licensees who are subject to the jurisdiction of a state licensing entity, including the State Bar of California, the Department of Real Estate, the Department of Consumer Affairs, or any other state agency that issues a license, certificate, or registration authorizing a person to engage in a business or profession.

This bill would prohibit a contract or proposed contract for the provision of a consumer service by a licensee regulated by a licensing board from including a provision limiting the consumer's ability to file a complaint with that board or to participate in the board's investigation into the licensee. The bill would specify that a waiver of these provisions is contrary to public policy and is void and unenforceable. The bill would provide that a violation of these provisions by a licensee constitutes unprofessional conduct subject to discipline by the licensee's regulatory board.

(15) Existing law, the California Private Postsecondary Education Act of 2009, until January 1, 2021, provides, among other things, for student protections and regulatory oversight of private postsecondary institutions in the state, enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs.

This bill would extend the operation of the California Private Postsecondary Education Act of 2009 to January 1, 2022.

(16) This bill would make other conforming, technical, and nonsubstantive changes.

(17) This bill would incorporate additional changes to Section 205 of the Business and Professions Code proposed by AB 896 to be operative only if this bill and AB 896 are enacted and this bill is enacted last.

(18) This bill would incorporate additional changes to Section 2113 of the Business and Professions Code proposed by AB 2273 to be operative only if this bill and AB 2273 are enacted and this bill is enacted last.

(19) This bill would incorporate additional changes to Section 7159 of the Business and Professions Code proposed by AB 2471 to be operative only if this bill and AB 2471 are enacted and this bill is enacted last.

(20) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 27 of the Business and Professions Code is amended to read:

27. (a) Each entity specified in subdivisions (c), (d), and (e) shall provide on the internet information regarding the status of every license issued by that entity in accordance with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The public information to be provided on the internet shall include information on suspensions and revocations of licenses issued by the entity and other related enforcement action, including accusations filed pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) taken by the entity relative to persons, businesses, or facilities subject to licensure or regulation by the entity. The information may not include personal information, including home telephone number, date of birth, or social security number. Each entity shall disclose a licensee's address of record. However, each entity shall allow a licensee to provide a post office box number or other alternate address, instead of the licensee's home address, as the address of record. This section shall not preclude an entity from also requiring a licensee, who has provided a post office box number or other alternative mailing address as the licensee's address of record, to provide a physical business address or residence address only for the entity's internal administrative use and not for disclosure as the licensee's address of record or disclosure on the internet.

(b) In providing information on the internet, each entity specified in subdivisions (c) and (d) shall comply with the Department of Consumer Affairs' guidelines for access to public records.

(c) Each of the following entities within the Department of Consumer Affairs shall comply with the requirements of this section:

(1) The Board for Professional Engineers, Land Surveyors, and Geologists shall disclose information on its registrants and licensees.

(2) The Bureau of Automotive Repair shall disclose information on its licensees, including auto repair dealers, smog stations, lamp and brake stations, smog check technicians, and smog inspection certification stations.

(3) The Bureau of Household Goods and Services shall disclose information on its licensees and registrants, including major appliance repair dealers, combination dealers (electronic and appliance), electronic repair dealers, service contract sellers, service contract administrators, and household movers.

(4) The Cemetery and Funeral Bureau shall disclose information on its licensees, including cemetery brokers, cemetery salespersons, cemetery managers, crematory managers, cemetery authorities, crematories, cremated remains disposers, embalmers, funeral establishments, and funeral directors.

(5) The Professional Fiduciaries Bureau shall disclose information on its licensees.

(6) The Contractors State License Board shall disclose information on its licensees and registrants in accordance with Chapter 9 (commencing with Section 7000) of Division 3. In addition to information related to licenses as specified in subdivision (a), the board shall also disclose information provided to the board by the Labor Commissioner pursuant to Section 98.9 of the Labor Code.

(7) The Bureau for Private Postsecondary Education shall disclose information on private postsecondary institutions under its jurisdiction, including disclosure of notices to comply issued pursuant to Section 94935 of the Education Code.

(8) The California Board of Accountancy shall disclose information on its licensees and registrants.

(9) The California Architects Board shall disclose information on its licensees, including architects and landscape architects.

(10) The State Athletic Commission shall disclose information on its licensees and registrants.

(11) The State Board of Barbering and Cosmetology shall disclose information on its licensees.

(12) The Acupuncture Board shall disclose information on its licensees.

(13) The Board of Behavioral Sciences shall disclose information on its licensees and registrants.

(14) The Dental Board of California shall disclose information on its licensees.

(15) The State Board of Optometry shall disclose information on its licensees and registrants.

(16) The Board of Psychology shall disclose information on its licensees, including psychologists, psychological assistants, and registered psychologists.

(17) The Veterinary Medical Board shall disclose information on its licensees, registrants, and permitholders.

(d) The State Board of Chiropractic Examiners shall disclose information on its licensees.

(e) The Structural Pest Control Board shall disclose information on its licensees, including applicators, field representatives, and operators in the areas of fumigation, general pest and wood destroying pests and organisms, and wood roof cleaning and treatment.

(f) The Bureau of Cannabis Control shall disclose information on its licensees.

(g) "Internet" for the purposes of this section has the meaning set forth in paragraph (6) of subdivision (f) of Section 17538.

SEC. 2. Section 101 of the Business and Professions Code is amended to read:

101. The department is comprised of the following:

- (a) The Dental Board of California.
- (b) The Medical Board of California.
- (c) The State Board of Optometry.
- (d) The California State Board of Pharmacy.
- (e) The Veterinary Medical Board.
- (f) The California Board of Accountancy.
- (g) The California Architects Board.
- (h) The State Board of Barbering and Cosmetology.
- (i) The Board for Professional Engineers, Land Surveyors, and Geologists.
- (j) The Contractors State License Board.
- (k) The Bureau for Private Postsecondary Education.
- (l) The Bureau of Household Goods and Services.
- (m) The Board of Registered Nursing.
- (n) The Board of Behavioral Sciences.
- (o) The State Athletic Commission.
- (p) The Cemetery and Funeral Bureau.
- (q) The Bureau of Security and Investigative Services.
- (r) The Court Reporters Board of California.
- (s) The Board of Vocational Nursing and Psychiatric Technicians.
- (t) The Landscape Architects Technical Committee.
- (u) The Division of Investigation.
- (v) The Bureau of Automotive Repair.
- (w) The Respiratory Care Board of California.
- (x) The Acupuncture Board.
- (y) The Board of Psychology.
- (z) The Podiatric Medical Board of California.
- (aa) The Physical Therapy Board of California.
- (ab) The Arbitration Review Program.
- (ac) The Physician Assistant Board.
- (ad) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (ae) The California Board of Occupational Therapy.
- (af) The Osteopathic Medical Board of California.
- (ag) The Naturopathic Medicine Committee.
- (ah) The Dental Hygiene Board of California.
- (ai) The Professional Fiduciaries Bureau.
- (aj) The State Board of Chiropractic Examiners.

- (ak) The Bureau of Real Estate Appraisers.
- (al) The Structural Pest Control Board.
- (am) The Bureau of Cannabis Control.
- (an) Any other boards, offices, or officers subject to its jurisdiction by law.
- (ao) This section shall become operative on July 1, 2018.

SEC. 3. Section 125.9 of the Business and Professions Code is amended to read:

125.9. (a) Except with respect to persons regulated under Chapter 11 (commencing with Section 7500), any board, bureau, or commission within the department, the State Board of Chiropractic Examiners, and the Osteopathic Medical Board of California, may establish, by regulation, a system for the issuance to a licensee of a citation which may contain an order of abatement or an order to pay an administrative fine assessed by the board, bureau, or commission where the licensee is in violation of the applicable licensing act or any regulation adopted pursuant thereto.

(b) The system shall contain the following provisions:

(1) Citations shall be in writing and shall describe with particularity the nature of the violation, including specific reference to the provision of law determined to have been violated.

(2) Whenever appropriate, the citation shall contain an order of abatement fixing a reasonable time for abatement of the violation.

(3) In no event shall the administrative fine assessed by the board, bureau, or commission exceed five thousand dollars (\$5,000) for each inspection or each investigation made with respect to the violation, or five thousand dollars (\$5,000) for each violation or count if the violation involves fraudulent billing submitted to an insurance company, the Medi-Cal program, or Medicare. In assessing a fine, the board, bureau, or commission shall give due consideration to the appropriateness of the amount of the fine with respect to factors such as the gravity of the violation, the good faith of the licensee, and the history of previous violations.

(4) A citation or fine assessment issued pursuant to a citation shall inform the licensee that if the licensee desires a hearing to contest the finding of a violation, that hearing shall be requested by written notice to the board, bureau, or commission within 30 days of the date of issuance of the citation or assessment. If a hearing is not requested pursuant to this section, payment of any fine shall not constitute an admission of the violation charged. Hearings shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(5) Failure of a licensee to pay a fine or comply with an order of abatement, or both, within 30 days of the date of assessment or order, unless the citation is being appealed, may result in disciplinary action being taken by the board, bureau, or commission. Where a citation is not contested and a fine is not paid, the full amount of the assessed fine shall be added to the fee for renewal of the license. A license shall not be renewed without payment of the renewal fee and fine.

(c) The system may contain the following provisions:

(1) A citation may be issued without the assessment of an administrative fine.

(2) Assessment of administrative fines may be limited to only particular violations of the applicable licensing act.

(d) Notwithstanding any other provision of law, if a fine is paid to satisfy an assessment based on the finding of a violation, payment of the fine and compliance with the order of abatement, if applicable, shall be represented as satisfactory resolution of the matter for purposes of public disclosure.

(e) Administrative fines collected pursuant to this section shall be deposited in the special fund of the particular board, bureau, or commission.

SEC. 4. Section 130 of the Business and Professions Code is amended to read:

130. (a) Notwithstanding any other law, the term of office of any member of an agency designated in subdivision (b) shall be for a term of four years expiring on June 1.

(b) Subdivision (a) applies to the following boards or committees:

- (1) The Medical Board of California.
- (2) The Podiatric Medical Board of California.
- (3) The Physical Therapy Board of California.
- (4) The Board of Registered Nursing, except as provided in subdivision (c) of Section 2703.
- (5) The Board of Vocational Nursing and Psychiatric Technicians.
- (6) The State Board of Optometry.
- (7) The California State Board of Pharmacy.
- (8) The Veterinary Medical Board.
- (9) The California Architects Board.
- (10) The Landscape Architect Technical Committee.
- (11) The Board for Professional Engineers and Land Surveyors.
- (12) The Contractors State License Board.
- (13) The Board of Behavioral Sciences.
- (14) The Court Reporters Board of California.
- (15) The State Athletic Commission.
- (16) The Osteopathic Medical Board of California.
- (17) The Respiratory Care Board of California.
- (18) The Acupuncture Board.
- (19) The Board of Psychology.
- (20) The Structural Pest Control Board.

SEC. 5. Section 144 of the Business and Professions Code is amended to read:

144. (a) Notwithstanding any other law, an agency designated in subdivision (b) shall require an applicant to furnish to the agency a full set of fingerprints for purposes of conducting criminal history record checks. Any agency designated in subdivision (b) may obtain and receive, at its discretion, criminal history information from the Department of Justice and the United States Federal Bureau of Investigation.

(b) Subdivision (a) applies to the following:

- (1) California Board of Accountancy.
- (2) State Athletic Commission.
- (3) Board of Behavioral Sciences.
- (4) Court Reporters Board of California.
- (5) Dental Board of California.
- (6) California State Board of Pharmacy.
- (7) Board of Registered Nursing.
- (8) Veterinary Medical Board.
- (9) Board of Vocational Nursing and Psychiatric Technicians.
- (10) Respiratory Care Board of California.

- (11) Physical Therapy Board of California.
- (12) Physician Assistant Committee.
- (13) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (14) Medical Board of California.
- (15) State Board of Optometry.
- (16) Acupuncture Board.
- (17) Cemetery and Funeral Bureau.
- (18) Bureau of Security and Investigative Services.
- (19) Division of Investigation.
- (20) Board of Psychology.
- (21) California Board of Occupational Therapy.
- (22) Structural Pest Control Board.
- (23) Contractors State License Board.
- (24) Naturopathic Medicine Committee.
- (25) Professional Fiduciaries Bureau.
- (26) Board for Professional Engineers, Land Surveyors, and Geologists.
- (27) Bureau of Cannabis Control.
- (28) Podiatric Medical Board of California.
- (29) Osteopathic Medical Board of California.
- (30) California Architects Board, beginning January 1, 2021.
- (31) Landscape Architects Technical Committee, beginning January 1, 2022.

(c) For purposes of paragraph (26) of subdivision (b), the term "applicant" shall be limited to an initial applicant who has never been registered or licensed by the board or to an applicant for a new licensure or registration category.

SEC. 6. Section 200.1 of the Business and Professions Code is amended to read:

200.1. (a) Any accruals that occur on or after September 11, 1993, to any funds or accounts within the Professions and Vocations Fund that realize increased revenues to that fund or account as a result of legislation enacted on or after September 11, 1993, and that have not been transferred pursuant to Sections 13.50, 13.60, and 13.70 of the Budget Act of 1993 on the effective date of the act that enacted this section, shall be exempt from the transfers contained in Sections 13.50, 13.60, and 13.70 of the Budget Act of 1993. These funds shall include, but not be limited to, all of the following:

- (1) Athletic Commission Fund.
 - (2) Bureau of Home Furnishings and Thermal Insulation Fund.
 - (3) Contractors License Fund.
 - (4) Private Investigator Fund.
 - (5) Respiratory Care Fund.
 - (6) Vocational Nursing and Psychiatric Technicians Fund.
- (b) Subdivision (a) shall not apply to the Contingent Fund of the Medical Board of California.

SEC. 7. Section 205 of the Business and Professions Code, as amended by Section 2 of Chapter 865 of the Statutes of 2019, is amended to read:

205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery and Funeral Fund.
- (6) Contractors License Fund.
- (7) State Dentistry Fund.
- (8) Home Furnishings and Thermal Insulation Fund.
- (9) California Architects Board-Landscape Architects Fund.
- (10) Contingent Fund of the Medical Board of California.
- (11) Optometry Fund.
- (12) Pharmacy Board Contingent Fund.
- (13) Physical Therapy Fund.
- (14) Private Investigator Fund.
- (15) Private Security Services Fund.
- (16) Professional Engineer's, Land Surveyor's, and Geologist's Fund.
- (17) Consumer Affairs Fund.
- (18) Behavioral Sciences Fund.
- (19) Licensed Midwifery Fund.
- (20) Court Reporters' Fund.
- (21) Veterinary Medical Board Contingent Fund.
- (22) Vocational Nursing and Psychiatric Technicians Fund.
- (23) Electronic and Appliance Repair Fund.
- (24) Dispensing Opticians Fund.
- (25) Acupuncture Fund.
- (26) Physician Assistant Fund.
- (27) Board of Podiatric Medicine Fund.
- (28) Psychology Fund.
- (29) Respiratory Care Fund.
- (30) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
- (31) Board of Registered Nursing Fund.
- (32) Animal Health Technician Examining Committee Fund.

- (33) State Dental Hygiene Fund.
- (34) State Dental Assistant Fund.
- (35) Structural Pest Control Fund.
- (36) Structural Pest Control Eradication and Enforcement Fund.
- (37) Structural Pest Control Research Fund.
- (38) Household Movers Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall be repealed on July 1, 2022.

SEC. 8. Section 205 of the Business and Professions Code, as added by Section 3 of Chapter 865 of the Statutes of 2019, is amended to read:

205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery and Funeral Fund.
- (6) Contractors License Fund.
- (7) State Dentistry Fund.
- (8) Home Furnishings and Thermal Insulation Fund.
- (9) California Architects Board-Landscape Architects Fund.
- (10) Contingent Fund of the Medical Board of California.
- (11) Optometry Fund.
- (12) Pharmacy Board Contingent Fund.
- (13) Physical Therapy Fund.
- (14) Private Investigator Fund.
- (15) Private Security Services Fund.
- (16) Professional Engineer's, Land Surveyor's, and Geologist's Fund.
- (17) Consumer Affairs Fund.
- (18) Behavioral Sciences Fund.
- (19) Licensed Midwifery Fund.
- (20) Court Reporters' Fund.
- (21) Veterinary Medical Board Contingent Fund.
- (22) Vocational Nursing and Psychiatric Technicians Fund.

- (23) Electronic and Appliance Repair Fund.
- (24) Dispensing Opticians Fund.
- (25) Acupuncture Fund.
- (26) Physician Assistant Fund.
- (27) Board of Podiatric Medicine Fund.
- (28) Psychology Fund.
- (29) Respiratory Care Fund.
- (30) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
- (31) Board of Registered Nursing Fund.
- (32) Animal Health Technician Examining Committee Fund.
- (33) State Dental Hygiene Fund.
- (34) Structural Pest Control Fund.
- (35) Structural Pest Control Eradication and Enforcement Fund.
- (36) Structural Pest Control Research Fund.
- (37) Household Movers Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall become operative on July 1, 2022.

SEC. 8.5. Section 205 of the Business and Professions Code, as added by Section 3 of Chapter 865 of the Statutes of 2019, is amended to read:

205. (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery and Funeral Fund.
- (6) Contractors License Fund.
- (7) State Dentistry Fund.
- (8) Home Furnishings and Thermal Insulation Fund.
- (9) California Architects Board-Landscape Architects Fund.
- (10) Contingent Fund of the Medical Board of California.
- (11) Optometry Fund.
- (12) Pharmacy Board Contingent Fund.
- (13) Physical Therapy Fund.

- (14) Private Investigator Fund.
- (15) Private Security Services Fund.
- (16) Professional Engineer's, Land Surveyor's, and Geologist's Fund.
- (17) Consumer Affairs Fund.
- (18) Behavioral Sciences Fund.
- (19) Licensed Midwifery Fund.
- (20) Court Reporters' Fund.
- (21) Veterinary Medical Board Contingent Fund.
- (22) Vocational Nursing and Psychiatric Technicians Fund.
- (23) Electronic and Appliance Repair Fund.
- (24) Acupuncture Fund.
- (25) Physician Assistant Fund.
- (26) Board of Podiatric Medicine Fund.
- (27) Psychology Fund.
- (28) Respiratory Care Fund.
- (29) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
- (30) Board of Registered Nursing Fund.
- (31) Animal Health Technician Examining Committee Fund.
- (32) State Dental Hygiene Fund.
- (33) Structural Pest Control Fund.
- (34) Structural Pest Control Eradication and Enforcement Fund.
- (35) Structural Pest Control Research Fund.
- (36) Household Movers Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall become operative on July 1, 2022.

SEC. 9. Section 494.5 of the Business and Professions Code is amended to read:

494.5. (a) (1) Except as provided in paragraphs (2), (3), and (4), a state governmental licensing entity shall refuse to issue, reactivate, reinstate, or renew a license and shall suspend a license if a licensee's name is included on a certified list.

(2) The Department of Motor Vehicles shall suspend a license if a licensee's name is included on a certified list. Any reference in this section to the issuance, reactivation, reinstatement, renewal, or denial of a license shall not apply to the Department of Motor Vehicles.

(3) The State Bar of California may recommend to refuse to issue, reactivate, reinstate, or renew a license and may recommend to suspend a license if a licensee's name is included on a certified list. The word "may" shall be substituted for the word "shall" relating to the issuance of a temporary license, refusal to issue, reactivate, reinstate, renew, or suspend a license in this section for licenses under the jurisdiction of the California Supreme Court.

(4) The Department of Alcoholic Beverage Control may refuse to issue, reactivate, reinstate, or renew a license, and may suspend a license, if a licensee's name is included on a certified list.

(b) For purposes of this section:

(1) "Certified list" means either the list provided by the State Board of Equalization or the list provided by the Franchise Tax Board of persons whose names appear on the lists of the 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code, as applicable.

(2) "License" includes a certificate, registration, or any other authorization to engage in a profession or occupation issued by a state governmental licensing entity. "License" includes a driver's license issued pursuant to Chapter 1 (commencing with Section 12500) of Division 6 of the Vehicle Code. "License" excludes a vehicle registration issued pursuant to Division 3 (commencing with Section 4000) of the Vehicle Code.

(3) "Licensee" means an individual authorized by a license to drive a motor vehicle or authorized by a license, certificate, registration, or other authorization to engage in a profession or occupation issued by a state governmental licensing entity.

(4) "State governmental licensing entity" means any entity listed in Section 101, 1000, or 19420, the office of the Attorney General, the Department of Insurance, the Department of Motor Vehicles, the State Bar of California, the Department of Real Estate, and any other state agency, board, or commission that issues a license, certificate, or registration authorizing an individual to engage in a profession or occupation, including any certificate, business or occupational license, or permit or license issued by the Department of Motor Vehicles or the Department of the California Highway Patrol. "State governmental licensing entity" shall not include the Contractors State License Board.

(c) The State Board of Equalization and the Franchise Tax Board shall each submit its respective certified list to every state governmental licensing entity. The certified lists shall include the name, social security number or taxpayer identification number, and the last known address of the persons identified on the certified lists.

(d) Notwithstanding any other law, each state governmental licensing entity shall collect the social security number or the federal taxpayer identification number from all applicants for the purposes of matching the names of the certified lists provided by the State Board of Equalization and the Franchise Tax Board to applicants and licensees.

(e) (1) Each state governmental licensing entity shall determine whether an applicant or licensee is on the most recent certified list provided by the State Board of Equalization and the Franchise Tax Board.

(2) If an applicant or licensee is on either of the certified lists, the state governmental licensing entity shall immediately provide a preliminary notice to the applicant or licensee of the entity's intent to suspend or withhold issuance or renewal of the license. The preliminary notice shall be delivered personally or by mail to the applicant's or licensee's last known mailing address on file with the state governmental licensing entity within 30 days of receipt of the certified list. Service by mail shall be completed in accordance with Section 1013 of the Code of Civil Procedure.

(A) The state governmental licensing entity shall issue a temporary license valid for a period of 90 days to any applicant whose name is on a certified list if the applicant is otherwise eligible for a license.

(B) The 90-day time period for a temporary license shall not be extended. Only one temporary license shall be issued during a regular license term and the term of the temporary license shall coincide with the first 90 days of the regular license term. A license for the full term or the remainder of the license term may be issued or renewed only upon compliance with this section.

(C) In the event that a license is suspended or an application for a license or the renewal of a license is denied pursuant to this section, any funds paid by the applicant or licensee shall not be refunded by the state governmental licensing entity.

(f) (1) A state governmental licensing entity shall refuse to issue or shall suspend a license pursuant to this section no sooner than 90 days and no later than 120 days of the mailing of the preliminary notice described in paragraph (2) of subdivision (e), unless the state governmental licensing entity has received a release pursuant to subdivision (h). The procedures in the administrative adjudication provisions 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) shall not apply to the denial or suspension of, or refusal to renew, a license or the issuance of a temporary license pursuant to this section.

(2) Notwithstanding any other law, if a board, bureau, or commission listed in Section 101, other than the Contractors State License Board, fails to take action in accordance with this section, the Department of Consumer Affairs shall issue a temporary license or suspend or refuse to issue, reactivate, reinstate, or renew a license, as appropriate.

(g) Notices shall be developed by each state governmental licensing entity. For an applicant or licensee on the State Board of Equalization's certified list, the notice shall include the address and telephone number of the State Board of Equalization, and shall emphasize the necessity of obtaining a release from the State Board of Equalization as a condition for the issuance, renewal, or continued valid status of a license or licenses. For an applicant or licensee on the Franchise Tax Board's certified list, the notice shall include the address and telephone number of the Franchise Tax Board, and shall emphasize the necessity of obtaining a release from the Franchise Tax Board as a condition for the issuance, renewal, or continued valid status of a license or licenses.

(1) The notice shall inform the applicant that the state governmental licensing entity shall issue a temporary license, as provided in subparagraph (A) of paragraph (2) of subdivision (e), for 90 calendar days if the applicant is otherwise eligible and that upon expiration of that time period, the license will be denied unless the state governmental licensing entity has received a release from the State Board of Equalization or the Franchise Tax Board, whichever is applicable.

(2) The notice shall inform the licensee that any license suspended under this section will remain suspended until the state governmental licensing entity receives a release along with applications and fees, if applicable, to reinstate the license.

(3) The notice shall also inform the applicant or licensee that if an application is denied or a license is suspended pursuant to this section, any moneys paid by the applicant or licensee shall not be refunded by the state governmental licensing entity. The state governmental licensing entity shall also develop a form that the applicant or licensee shall use to request a release by the State Board of Equalization or the Franchise Tax Board. A copy of this form shall be included with every notice sent pursuant to this subdivision.

(h) If the applicant or licensee wishes to challenge the submission of their name on a certified list, the applicant or licensee shall make a timely written request for release to the State Board of Equalization or the Franchise Tax Board, whichever is applicable. The State Board of Equalization or the Franchise Tax Board shall immediately send a release to the appropriate state governmental licensing entity and the applicant or licensee, if any of the following conditions are met:

(1) The applicant or licensee has complied with the tax obligation, either by payment of the unpaid taxes or entry into an installment payment agreement, as described in Section 6832 or 19008 of the Revenue and Taxation Code, to satisfy the unpaid taxes.

(2) The applicant or licensee has submitted a request for release not later than 45 days after the applicant's or licensee's receipt of a preliminary notice described in paragraph (2) of subdivision (e), but the State Board of Equalization or the Franchise Tax Board, whichever is applicable, will be unable to complete the release review and send notice of its findings to the applicant or licensee and state governmental licensing entity within 45 days after the State Board of Equalization's or the Franchise Tax Board's receipt of the applicant's or licensee's request for release. Whenever a release is granted under this paragraph, and, notwithstanding that release, the applicable license or licenses have been suspended erroneously, the state governmental licensing entity shall reinstate the applicable licenses with retroactive effect back to the date of the erroneous suspension and that suspension shall not be reflected on any license record.

(3) The applicant or licensee is unable to pay the outstanding tax obligation due to a current financial hardship. "Financial hardship" means financial hardship as determined by the State Board of Equalization or the Franchise Tax Board, whichever is applicable, where the applicant or licensee is unable to pay any part of the outstanding liability and the applicant or licensee is unable to qualify for an installment payment arrangement as provided for by Section 6832 or Section 19008 of the Revenue and Taxation Code. In order to establish the existence of a financial hardship, the applicant or licensee shall submit any information, including information related to reasonable business and personal expenses, requested by the State Board of Equalization or the Franchise Tax Board, whichever is applicable, for purposes of making that determination.

(i) An applicant or licensee is required to act with diligence in responding to notices from the state governmental licensing entity and the State Board of Equalization or the Franchise Tax Board with the recognition that the temporary license will lapse or the license suspension will go into effect after 90 days and that the State Board of Equalization or the Franchise Tax Board must have time to act within that period. An applicant's or licensee's

delay in acting, without good cause, which directly results in the inability of the State Board of Equalization or the Franchise Tax Board, whichever is applicable, to complete a review of the applicant's or licensee's request for release shall not constitute the diligence required under this section which would justify the issuance of a release. An applicant or licensee shall have the burden of establishing that they diligently responded to notices from the state governmental licensing entity or the State Board of Equalization or the Franchise Tax Board and that any delay was not without good cause.

(j) The State Board of Equalization or the Franchise Tax Board shall create release forms for use pursuant to this section. When the applicant or licensee has complied with the tax obligation by payment of the unpaid taxes, or entry into an installment payment agreement, or establishing the existence of a current financial hardship as defined in paragraph (3) of subdivision (h), the State Board of Equalization or the Franchise Tax Board, whichever is applicable, shall mail a release form to the applicant or licensee and provide a release to the appropriate state governmental licensing entity. Any state governmental licensing entity that has received a release from the State Board of Equalization and the Franchise Tax Board pursuant to this subdivision shall process the release within five business days of its receipt. If the State Board of Equalization or the Franchise Tax Board determines subsequent to the issuance of a release that the licensee has not complied with their installment payment agreement, the State Board of Equalization or the Franchise Tax Board, whichever is applicable, shall notify the state governmental licensing entity and the licensee in a format prescribed by the State Board of Equalization or the Franchise Tax Board, whichever is applicable, that the licensee is not in compliance and the release shall be rescinded. The State Board of Equalization and the Franchise Tax Board may, when it is economically feasible for the state governmental licensing entity to develop an automated process for complying with this subdivision, notify the state governmental licensing entity in a manner prescribed by the State Board of Equalization or the Franchise Tax Board, whichever is applicable, that the licensee has not complied with the installment payment agreement. Upon receipt of this notice, the state governmental licensing entity shall immediately notify the licensee on a form prescribed by the state governmental licensing entity that the licensee's license will be suspended on a specific date, and this date shall be no longer than 30 days from the date the form is mailed. The licensee shall be further notified that the license will remain suspended until a new release is issued in accordance with this subdivision.

(k) The State Board of Equalization and the Franchise Tax Board may enter into interagency agreements with the state governmental licensing entities necessary to implement this section.

(l) Notwithstanding any other law, a state governmental licensing entity, with the approval of the appropriate department director or governing body, may impose a fee on a licensee whose license has been suspended pursuant to this section. The fee shall not exceed the amount necessary for the state governmental licensing entity to cover its costs in carrying out the provisions of this section. Fees imposed pursuant to this section shall be deposited in the fund in which other fees imposed by the state governmental licensing entity are deposited and shall be available to that entity upon appropriation in the annual Budget Act.

(m) The process described in subdivision (h) shall constitute the sole administrative remedy for contesting the issuance of a temporary license or the denial or suspension of a license under this section.

(n) Any state governmental licensing entity receiving an inquiry as to the licensed status of an applicant or licensee who has had a license denied or suspended under this section or who has been granted a temporary license under this section shall respond that the license was denied or suspended or the temporary license was issued only because the licensee appeared on a list of the 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code. Information collected pursuant to this section by any state agency, board, or department shall be subject to the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). Any state governmental licensing entity that discloses on its internet website or other publication that the licensee has had a license denied or suspended under this section or has been granted a temporary license under this section shall prominently disclose, in bold and adjacent to the information regarding the status of the license, that the only reason the license was denied, suspended, or temporarily issued is because the licensee failed to pay taxes.

(o) Any rules and regulations issued pursuant to this section by any state agency, board, or department may be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare. The regulations shall become effective immediately upon filing with the Secretary of State.

(p) The State Board of Equalization, the Franchise Tax Board, and state governmental licensing entities, as appropriate, shall adopt regulations as necessary to implement this section.

(q) (1) Neither the state governmental licensing entity, nor any officer, employee, or agent, or former officer, employee, or agent of a state governmental licensing entity, may disclose or use any information obtained from the State Board of Equalization or the Franchise Tax Board, pursuant to this section, except to inform the public of the denial, refusal to renew, or suspension of a license or the issuance of a temporary license pursuant to this section. The release or other use of information received by a state governmental licensing entity pursuant to this section, except as authorized by this section, is punishable as a misdemeanor. This subdivision may not be interpreted to prevent the State Bar of California from filing a request with the Supreme Court of California to suspend a member of the bar pursuant to this section.

(2) A suspension of, or refusal to renew, a license or issuance of a temporary license pursuant to this section does not constitute denial or discipline of a licensee for purposes of any reporting requirements to the National Practitioner Data Bank and shall not be reported to the National Practitioner Data Bank or the Healthcare Integrity and Protection Data Bank.

(3) Upon release from the certified list, the suspension or revocation of the applicant's or licensee's license shall be purged from the state governmental licensing entity's internet website or other publication within three business days. This paragraph shall not apply to the State Bar of California.

(r) If any provision of this section or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of this section that can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

(s) All rights to review afforded by this section to an applicant shall also be afforded to a licensee.

(t) Unless otherwise provided in this section, the policies, practices, and procedures of a state governmental licensing entity with respect to license suspensions under this section shall be the same as those applicable with respect to suspensions pursuant to Section 17520 of the Family Code.

(u) No provision of this section shall be interpreted to allow a court to review and prevent the collection of taxes prior to the payment of those taxes in violation of the California Constitution.

(v) This section shall apply to any licensee whose name appears on a list of the 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code on or after July 1, 2012.

SEC. 10. Section 1000 of the Business and Professions Code is amended to read:

1000. (a) The law governing practitioners of chiropractic is found in an initiative act entitled "An act prescribing the terms upon which licenses may be issued to practitioners of chiropractic, creating the State Board of Chiropractic Examiners and declaring its powers and duties, prescribing penalties for violation hereof, and repealing all acts and parts of acts inconsistent herewith," adopted by the electors November 7, 1922.

(b) The State Board of Chiropractic Examiners is within the Department of Consumer Affairs.

(c) Notwithstanding any other law, the powers and duties of the State Board of Chiropractic Examiners, as set forth in this article and under the act creating the board, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2023.

SEC. 11. Section 1913 of the Business and Professions Code is amended to read:

1913. Unless otherwise specified in this chapter, a registered dental hygienist may perform any procedure or provide any service within the scope of their practice in any setting under the appropriate level of supervision required by this article, if the registered dental hygienist has completed the appropriate education and training required to perform the procedure or provide the service.

SEC. 12. Section 1917 of the Business and Professions Code is amended to read:

1917. The dental hygiene board shall grant initial licensure as a registered dental hygienist to a person who satisfies all of the following requirements:

- (a) Completion of an educational program for registered dental hygienists, approved by the dental hygiene board, accredited by the Commission on Dental Accreditation, and conducted by a degree-granting, postsecondary institution.
- (b) Within the preceding three years, satisfactory completion of the dental hygiene examination given by the Western Regional Examining Board or any other clinical or dental hygiene examination approved by the dental hygiene board.
- (c) Satisfactory completion of the National Board Dental Hygiene Examination.
- (d) Satisfactory completion of the examination in California law and ethics as prescribed by the dental hygiene board.
- (e) Submission of a completed application form and all fees required by the dental hygiene board.
- (f) Satisfactory completion of dental hygiene board-approved instruction in gingival soft-tissue curettage, nitrous oxide-oxygen analgesia, and local anesthesia.

SEC. 13. Section 1917.1 of the Business and Professions Code is amended to read:

1917.1. (a) The dental hygiene board may grant a license as a registered dental hygienist to an applicant who has not taken a clinical examination before the dental hygiene board, if the applicant submits all of the following to the dental hygiene board:

- (1) A completed application form and all fees required by the dental hygiene board.
- (2) Proof of a current license as a registered dental hygienist issued by another state that is not revoked, suspended, or otherwise restricted.
- (3) Proof that the applicant has been in clinical practice as a registered dental hygienist or has been a full-time faculty member in an accredited dental hygiene education program for a minimum of 750 hours per year for at least five years immediately preceding the date of application under this section. The clinical practice requirement shall be deemed met if the applicant provides proof of at least three years of clinical practice and commits to completing the remaining two years of clinical practice by filing with the dental hygiene board a copy of a pending contract to practice dental hygiene in any of the following facilities:
 - (A) A primary care clinic licensed under subdivision (a) of Section 1204 of the Health and Safety Code.
 - (B) A primary care clinic exempt from licensure pursuant to subdivision (c) of Section 1206 of the Health and Safety Code.
 - (C) A clinic owned or operated by a public hospital or health system.
 - (D) A clinic owned and operated by a hospital that maintains the primary contract with a county government to fill the county's role under Section 17000 of the Welfare and Institutions Code.
- (4) Satisfactory performance on a California law and ethics examination and any examination that may be required by the dental hygiene board.
- (5) Proof that the applicant has not been subject to disciplinary action by any state in which the applicant is or has been previously issued any professional or vocational license. If the applicant has been subject to disciplinary action, the dental hygiene board shall review that action to determine if it warrants refusal to issue a license to the applicant.
- (6) Proof of graduation from a school of dental hygiene accredited by the Commission on Dental Accreditation.
- (7) Proof of satisfactory completion of the National Board Dental Hygiene Examination and of a state clinical examination, regional clinical licensure examination, or any other clinical dental hygiene examination approved by the dental hygiene board.
- (8) Proof that the applicant has not failed the state clinical examination, the examination given by the Western Regional Examining Board, or any other clinical dental hygiene examination approved by the dental hygiene board for licensure to practice dental hygiene under this chapter more than once or once within five years prior to the date of application for a license under this section.

(9) Documentation of completion of a minimum of 25 units of continuing education earned in the two years preceding application, including completion of any continuing education requirements imposed by the dental hygiene board on registered dental hygienists licensed in this state at the time of application.

(10) Any other information as specified by the dental hygiene board to the extent that it is required of applicants for licensure by examination under this article.

(b) The dental hygiene board may periodically request verification of compliance with the requirements of paragraph (3) of subdivision (a) and may revoke the license upon a finding that the employment requirement or any other requirement of paragraph (3) of subdivision (a) has not been met.

(c) The dental hygiene board shall provide in the application packet to each out-of-state dental hygienist pursuant to this section the following information:

(1) The location of dental manpower shortage areas in the state.

(2) Any nonprofit clinics, public hospitals, and accredited dental hygiene education programs seeking to contract with licensees for dental hygiene service delivery or training purposes.

SEC. 14. Section 1922 of the Business and Professions Code is amended to read:

1922. The dental hygiene board shall license as a registered dental hygienist in alternative practice a person who demonstrates satisfactory performance on an examination in California law and ethics required by the dental hygiene board and who completes an application form and pays all application fees required by the dental hygiene board and meets either of the following requirements:

(a) Holds a current California license as a registered dental hygienist and meets the following requirements:

(1) Has been engaged in the practice of dental hygiene, as defined in Section 1908, as a registered dental hygienist in any setting, including, but not limited to, educational settings and public health settings, for a minimum of 2,000 hours during the immediately preceding 36 months.

(2) Has successfully completed a bachelor's degree or its equivalent, recognized as a minimum of 120 semester credit hours or 180 quarter credit hours in postsecondary education, from a college or institution of higher education that is accredited by a national or regional accrediting agency recognized by the United States Department of Education, and a minimum of 150 hours of additional educational requirements, as prescribed by the dental hygiene board by regulation, that are consistent with good dental and dental hygiene practice, including, but not necessarily limited to, dental hygiene technique and theory including gerontology and medical emergencies, and business administration and practice management.

(b) Has received a letter of acceptance into the employment utilization phase of the Health Workforce Pilot Project No. 155 established by the Office of Statewide Health Planning and Development pursuant to Article 1 (commencing with Section 128125) of Chapter 3 of Part 3 of Division 107 of the Health and Safety Code.

SEC. 15. Section 2065 of the Business and Professions Code is amended to read:

2065. (a) Unless otherwise provided by law, no postgraduate trainee, intern, resident, postdoctoral fellow, or instructor may engage in the practice of medicine, or receive compensation therefor, or offer to engage in the practice of medicine unless they hold a valid, unrevoked, and unsuspended physician's and surgeon's certificate issued by the board. However, a graduate of an approved medical school may engage in the practice of medicine whenever and wherever required as a part of a postgraduate training program under the following conditions:

(1) The medical school graduate has taken and passed the board-approved medical licensing examinations required to qualify the applicant to participate in an approved postgraduate training program.

(2) If the medical school graduate graduated from a foreign medical school approved by the board pursuant to Section 2084, the Educational Commission for Foreign Medical Graduates (ECFMG) has submitted an official ECFMG Certification Status Report directly to the board confirming the graduate is ECFMG certified.

(3) The medical school graduate is enrolled in a postgraduate training program approved by the board.

(4) The board-approved postgraduate training program has submitted the required board-approved form to the board documenting the medical school graduate is enrolled in an approved postgraduate training program.

(5) The medical school graduate obtains a physician's and surgeon's postgraduate training license in accordance with Section 2064.5.

(b) A medical school graduate enrolled in an approved first-year postgraduate training program in accordance with this section may engage in the practice of medicine whenever and wherever required as a part of the training program, and may receive compensation for that practice.

(c) A graduate who has completed the first year of postgraduate training may, in an approved residency or fellowship, engage in the practice of medicine whenever and wherever required as part of that residency or fellowship, and may receive compensation for that practice. The resident or fellow shall qualify for, take, and pass the next succeeding written examination for licensure. If the resident or fellow fails to receive a license to practice medicine under this chapter within 27 months from the commencement of the residency or fellowship, except as otherwise allowed under subdivision (g) or (h), or if the board denies their application for licensure, all privileges and exemptions under this section shall automatically cease.

(d) All approved postgraduate training the medical school graduate has successfully completed in the United States or Canada shall count toward the 39-month license exemption, except as otherwise allowed under subdivision (h).

(e) A medical school graduate from a medical school approved by the board shall have successfully completed a minimum of 36 months of approved postgraduate training, which includes successful progression through 24 months in the same program, to be eligible for a California physician's and surgeon's certificate.

(f) The program director for an approved postgraduate training program in California shall report to the board, on a form approved by the board, and provide any supporting documents as required by the board, the following actions within 30 days of the action:

(1) A postgraduate trainee is notified that they have received partial or no credit for a period of postgraduate training, and their postgraduate training period is extended.

(2) A postgraduate trainee takes a leave of absence or any break from their postgraduate training, and they are notified that their postgraduate training period is extended.

(3) A postgraduate trainee is terminated from the postgraduate training program.

(4) A postgraduate trainee resigns, dies, or otherwise leaves the postgraduate training program.

(5) A postgraduate trainee has completed a one-year contract approved by the postgraduate training program.

(g) Upon review of supporting documentation, the board, in its discretion, may grant an extension beyond 39 months to a postgraduate training licensee to successfully complete the 36 months of required approved postgraduate training.

(h) An applicant for a physician's and surgeon's license who has successfully completed 36 months of approved postgraduate training in another state or in Canada and who is accepted into an approved postgraduate training program in California shall obtain their physician's and surgeon's license within 90 days after beginning that postgraduate training program or all privileges and exemptions under this section shall automatically cease.

(i) This section shall become operative on January 1, 2020.

SEC. 16. Section 2113 of the Business and Professions Code is amended to read:

2113. (a) Any person who does not immediately qualify for a physician's and surgeon's certificate under this chapter and who is offered by the dean of an approved medical school in this state a full-time faculty position may, after application to and approval by the board, be granted a certificate of registration to engage in the practice of medicine only to the extent that the practice is incident to and a necessary part of their duties as approved by the board in connection with the faculty position. A certificate of registration does not authorize a registrant to admit patients to a nursing or a skilled or assisted living facility unless that facility is formally affiliated with the sponsoring medical school. A clinical fellowship shall not be submitted as a faculty service appointment.

(b) Application for a certificate of registration shall be made on a form prescribed by the board and shall be accompanied by a registration fee fixed by the board in an amount necessary to recover the actual application processing costs of the program. To qualify for the certificate, an applicant shall submit all of the following:

(1) If the applicant is a graduate of a medical school other than in the United States or Canada, documentary evidence satisfactory to the board that they have been licensed to practice medicine and surgery for not less than four years in another state or country whose requirements for licensure are satisfactory to the board, or has been engaged in the practice of medicine in the United States for at least four years in approved facilities, or has completed a combination of that licensure and training.

(2) If the applicant is a graduate of a medical school in the United States or Canada, documentary evidence that the medical school is approved by the board.

(3) Written certification by the head of the department in which the applicant is to be appointed of all of the following:

(A) The applicant will be under their direction.

(B) The applicant will not be permitted to practice medicine unless incident to and a necessary part of their duties as approved by the board in subdivision (a).

(C) The applicant will be accountable to the medical school's department chair or division chief for the specialty in which the applicant will practice.

(D) The applicant will be proctored in the same manner as other new faculty members, including, as appropriate, review by the medical staff of the school's medical center.

(E) The applicant will not be appointed to a supervisory position at the level of a medical school department chair or division chief.

(4) Demonstration by the dean of the medical school that the applicant has the requisite qualifications to assume the position to which they are to be appointed and that shall include a written statement of the recruitment procedures followed by the medical school before offering the faculty position to the applicant.

(c) A certificate of registration shall be issued only for a faculty position at one approved medical school, and no person shall be issued more than one certificate of registration for the same period of time.

(d) (1) A certificate of registration is valid for one year from its date of issuance and may be renewed twice.

A request for renewal shall be submitted on a form prescribed by the board and shall be accompanied by a renewal fee fixed by the board in an amount necessary to recover the actual application processing costs of the program.

(2) The dean of the medical school may request renewal of the registration by submitting a plan at the beginning of the third year of the registrant's appointment demonstrating the registrant's continued progress toward licensure and, if the registrant is a graduate of a medical school other than in the United States or Canada, that the registrant has been issued a certificate by the Educational Commission for Foreign Medical Graduates. The board may, in its discretion, extend the registration for a two-year period to facilitate the registrant's completion of the licensure process.

(e) If the registrant is a graduate of a medical school other than in the United States or Canada, they shall meet the requirements of Section 2065 or 2135, as appropriate, in order to obtain a physician's and surgeon's certificate. Notwithstanding any other provision of law, the board may accept clinical practice in an appointment pursuant to this section as qualifying time to meet the postgraduate training requirements in Section 2065, and, in its discretion, waive the examination and the Educational Commission for Foreign Medical Graduates certification requirements specified in paragraph (3) of subdivision (a) of Section 2065 in the event the registrant applies for a physician's and surgeon's certificate. As a condition to waiving any examination or the Educational Commission for Foreign Medical Graduates certification requirement, the board in its discretion, may require an applicant to pass a clinical competency examination approved by the board. The board shall not waive any examination for an applicant who has not completed at least one year in the faculty position.

(f) Except to the extent authorized by this section, the registrant shall not engage in the practice of medicine, bill individually for medical services provided by the registrant, or receive compensation therefor, unless they are issued a physician's and surgeon's certificate.

(g) When providing clinical services, the registrant shall wear a visible name tag containing the title "visiting professor" or "visiting faculty member," as appropriate, and the institution at which the services are provided shall obtain a signed statement from each patient to whom the registrant provides services acknowledging that

the patient understands that the services are provided by a person who does not hold a physician's and surgeon's certificate but who is qualified to participate in a special program as a visiting professor or faculty member.

(h) The board shall notify both the registrant and the dean of the medical school of a complaint made about the registrant. The board may terminate a registration for any act that would be grounds for discipline if done by a licensee. The board shall provide both the registrant and the dean of the medical school with written notice of the termination and the basis for that termination. The registrant may, within 30 days after the date of the notice of termination, file a written appeal to the board. The appeal shall include any documentation the registrant wishes to present to the board.

(i) This section shall become operative on January 1, 2020.

SEC. 16.5. Section 2113 of the Business and Professions Code is amended to read:

2113. (a) Any person who does not immediately qualify for a physician's and surgeon's certificate under this chapter and who is offered by the dean of an approved medical school, or dean or chief medical officer of an academic medical center, in this state a full-time faculty position may, after application to and approval by the board, be granted a certificate of registration to engage in the practice of medicine only to the extent that the practice is incident to and a necessary part of that person's duties as approved by the board in connection with the faculty position. A certificate of registration does not authorize a registrant to admit patients to a nursing or a skilled or assisted living facility unless that facility is formally affiliated with the sponsoring medical school. A clinical fellowship shall not be submitted as a faculty service appointment.

(b) Application for a certificate of registration shall be made on a form prescribed by the board and shall be accompanied by a registration fee fixed by the board in an amount necessary to recover the actual application processing costs of the program. To qualify for the certificate, an applicant shall submit all of the following:

(1) If the applicant is a graduate of a medical school other than in the United States or Canada, documentary evidence satisfactory to the board that the applicant has been licensed to practice medicine and surgery for not less than four years in another state or country whose requirements for licensure are satisfactory to the board, or has been engaged in the practice of medicine in the United States for at least four years in approved facilities, or has completed a combination of that licensure and training.

(2) If the applicant is a graduate of a medical school in the United States or Canada, documentary evidence that the medical school is approved by the board.

(3) Written certification by the head of the department in which the applicant is to be appointed of all of the following:

(A) The applicant will be under the head of the department's direction.

(B) The applicant will not be permitted to practice medicine unless incident to and a necessary part of the applicant's duties as approved by the board in subdivision (a).

(C) The applicant will be accountable to the medical school's or academic medical center's chair or division chief for the specialty in which the applicant will practice.

(D) The applicant will be proctored in the same manner as other new faculty members, including, as appropriate, review by the medical staff of the sponsoring medical school or academic medical center.

(E) The applicant will not be appointed to a supervisory position at the level of a medical school or academic medical center's department chair or division chief.

(4) Demonstration by the dean of the medical school, or dean or chief medical officer or an academic medical center, that the applicant has the requisite qualifications to assume the position to which the applicant is to be appointed and that shall include a written statement of the recruitment procedures followed by the medical school or academic medical center before offering the faculty position to the applicant.

(c) A certificate of registration shall be issued only for a faculty position at one approved medical school, or academic medical center, and a person shall not be issued more than one certificate of registration for the same period of time.

(d) (1) A certificate of registration is valid for one year from its date of issuance and may be renewed twice.

A request for renewal shall be submitted on a form prescribed by the board and shall be accompanied by a renewal fee fixed by the board in an amount necessary to recover the actual application processing costs of the program.

(2) The dean of the medical school, or the dean or chief medical officer of an academic medical center, may request renewal of the registration by submitting a plan at the beginning of the third year of the registrant's appointment demonstrating the registrant's continued progress toward licensure and, if the registrant is a graduate of a medical school other than in the United States or Canada, that the registrant has been issued a certificate by the Educational Commission for Foreign Medical Graduates. The board may, in its discretion, extend the registration for a two-year period to facilitate the registrant's completion of the licensure process.

(e) If the registrant is a graduate of a medical school other than in the United States or Canada, the registrant shall meet the requirements of Section 2065 or 2135, as appropriate, in order to obtain a physician's and surgeon's certificate. Notwithstanding any other provision of law, the board may accept clinical practice in an appointment pursuant to this section as qualifying time to meet the postgraduate training requirements in Section 2065, and, in its discretion, waive the examination and the Educational Commission for Foreign Medical Graduates certification requirements specified in paragraph (3) of subdivision (a) of Section 2065 in the event the registrant applies for a physician's and surgeon's certificate. As a condition to waiving any examination or the Educational Commission for Foreign Medical Graduates certification requirement, the board in its discretion, may require an applicant to pass a clinical competency examination approved by the board. The board shall not waive any examination for an applicant who has not completed at least one year in the faculty position.

(f) Except to the extent authorized by this section, the registrant shall not engage in the practice of medicine, bill individually for medical services provided by the registrant, or receive compensation therefor, unless the registrant is issued a physician's and surgeon's certificate.

(g) When providing clinical services, the registrant shall wear a visible name tag containing the title "visiting professor" or "visiting faculty member," as appropriate, and the institution at which the services are provided shall obtain a signed statement from each patient to whom the registrant provides services acknowledging that the patient understands that the services are provided by a person who does not hold a physician's and surgeon's certificate but who is qualified to participate in a special program as a visiting professor or faculty member.

(h) The board shall notify both the registrant and the dean of the medical school, or the dean or chief medical officer of an academic medical center, of a complaint made about the registrant. The board may terminate a registration for any act that would be grounds for discipline if done by a licensee. The board shall provide both the registrant and the dean of the medical school, or the dean or chief medical officer of an academic medical center, with written notice of the termination and the basis for that termination. The registrant may, within 30 days after the date of the notice of termination, file a written appeal to the board. The appeal shall include any documentation the registrant wishes to present to the board.

(i) A registrant granted a certificate of registration before January 1, 2021, to engage in the practice of medicine pursuant to this section at an academic medical center shall be deemed to be authorized at that academic medical center as though the initial application had been sponsored by the academic medical center.

(j) As used in this section, "academic medical center" has the same meaning as defined in subdivision (a) of Section 2168.

SEC. 17. Section 2135.5 of the Business and Professions Code is amended to read:

2135.5. Upon review and recommendation, the board may determine that an applicant for a physician's and surgeon's certificate has satisfied the medical education requirements of Sections 2084 and 2135 and the examination requirements of Section 2170 if the applicant meets all of the following criteria:

(a) They hold an unlimited and unrestricted license as a physician and surgeon in another state and has held that license continuously for a minimum of four years prior to the date of application.

(b) They meet the postgraduate training requirements in Section 2096 and are certified by a specialty board that is a member board of the American Board of Medical Specialties.

(c) They are not subject to denial of licensure under Division 1.5 (commencing with Section 475) or Article 12 (commencing with Section 2220).

(d) They have not been the subject of a disciplinary action by a medical licensing authority or of an adverse judgment or settlement resulting from the practice of medicine that, as determined by the board, constitutes a pattern of negligence or incompetence.

(e) This section shall become operative on January 1, 2020.

SEC. 18. Section 2460 of the Business and Professions Code is amended to read:

2460. (a) There is created in the Department of Consumer Affairs the California Board of Podiatric Medicine. Commencing July 1, 2019, the California Board of Podiatric Medicine is renamed the Podiatric Medical Board of California. Any reference in any provision of law to the California Board of Podiatric Medicine shall, commencing July 1, 2019, be deemed to refer to the Podiatric Medical Board of California.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed. Notwithstanding any other law, the repeal of this section renders the California Board of Podiatric Medicine subject to review by the appropriate policy committees of the Legislature.

(c) The amendments made by Chapter 775 of the Statutes of 2017 relating to podiatrists shall not be construed to change any rights or privileges held by podiatrists prior to the enactment of that act.

SEC. 19. Section 2531 of the Business and Professions Code is amended to read:

2531. (a) There is in the Department of Consumer Affairs the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board in which the enforcement and administration of this chapter are vested. The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board shall consist of nine members, three of whom shall be public members.

(b) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

(c) Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 20. Section 2531.75 of the Business and Professions Code is amended to read:

2531.75. (a) The board may appoint a person exempt from civil service who shall be designated as an executive officer and who shall exercise the powers and perform the duties delegated by the board and vested in them by this chapter.

(b) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 21. Section 2570.19 of the Business and Professions Code is amended to read:

2570.19. (a) There is hereby created a California Board of Occupational Therapy, hereafter referred to as the board. The board shall enforce and administer this chapter.

(b) The members of the board shall consist of the following:

(1) Three occupational therapists who shall have practiced occupational therapy for five years.

(2) One occupational therapy assistant who shall have assisted in the practice of occupational therapy for five years.

(3) Three public members who shall not be licentiates of the board, of any other board under this division, or of any board referred to in Section 1000 or 3600.

(c) The Governor shall appoint the three occupational therapists and one occupational therapy assistant to be members of the board. The Governor, the Senate Committee on Rules, and the Speaker of the Assembly shall each appoint a public member. Not more than one member of the board shall be appointed from the full-time faculty of any university, college, or other educational institution.

(d) All members shall be residents of California at the time of their appointment. The occupational therapist and occupational therapy assistant members shall have been engaged in rendering occupational therapy services to the public, teaching, or research in occupational therapy for at least five years preceding their appointments.

(e) The public members may not be or have ever been occupational therapists or occupational therapy assistants or in training to become occupational therapists or occupational therapy assistants. The public members may not be related to, or have a household member who is, an occupational therapist or an occupational therapy assistant, and may not have had, within two years of the appointment, a substantial financial interest in a person regulated by the board.

(f) The Governor shall appoint two board members for a term of one year, two board members for a term of two years, and one board member for a term of three years. Appointments made thereafter shall be for four-year terms, but no person shall be appointed to serve more than two consecutive terms. Terms shall begin on the first day of the calendar year and end on the last day of the calendar year or until successors are appointed, except for the first appointed members who shall serve through the last calendar day of the year in which they are appointed, before commencing the terms prescribed by this section. Vacancies shall be filled by appointment for the unexpired term. The board shall annually elect one of its members as president.

(g) The board shall meet and hold at least one regular meeting annually in the Cities of Sacramento, Los Angeles, and San Francisco. The board may convene from time to time until its business is concluded. Special meetings of the board may be held at any time and place designated by the board.

(h) Notice of each meeting of the board shall be given in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(i) Members of the board shall receive no compensation for their services, but shall be entitled to reasonable travel and other expenses incurred in the execution of their powers and duties in accordance with Section 103.

(j) The appointing power shall have the power to remove any member of the board from office for neglect of any duty imposed by state law, for incompetency, or for unprofessional or dishonorable conduct.

(k) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

(l) Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 22. Section 2602 of the Business and Professions Code is amended to read:

2602. (a) The Physical Therapy Board of California, hereafter referred to as the board, shall enforce and administer this chapter.

(b) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

(c) Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 23. Section 2607.5 of the Business and Professions Code is amended to read:

2607.5. (a) The board may employ an executive officer exempt from the provisions of the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code) and may also employ investigators, legal counsel, physical therapist consultants, and other assistance as it may deem necessary to carry out this chapter. The board may fix the compensation to be paid for services and may incur other expenses as it may deem necessary. Investigators employed by the board shall be provided special training in investigating physical therapy practice activities.

(b) The Attorney General shall act as legal counsel for the board for any judicial and administrative proceedings and their services shall be a charge against it.

(c) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 24. Section 2841 of the Business and Professions Code is amended to read:

2841. (a) There is in the Department of Consumer Affairs a Board of Vocational Nursing and Psychiatric Technicians of the State of California, which consists of 11 members.

(b) Within the meaning of this chapter, "board," or "the board," refers to the Board of Vocational Nursing and Psychiatric Technicians of the State of California.

(c) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 25. Section 2847.1 of the Business and Professions Code is amended to read:

2847.1. (a) The board shall select an executive officer who shall perform duties as are delegated by the board and who shall be responsible to it for the accomplishment of those duties. The executive officer shall not be a member of the board.

(b) With the approval of the Director of Finance, the board shall fix the salary of the executive officer.

(c) The executive officer shall be entitled to traveling and other necessary expenses in the performance of their duties. The executive officer shall make a statement, certified before a duly authorized person, that the expenses have been actually incurred.

(d) Commencing January 1, 2018, the executive officer appointed by the board pursuant to subdivision (a) is abolished. Thereafter, until January 1, 2022, the executive officer shall be appointed as set forth in Section 2847.3. Commencing January 1, 2022, the executive officer shall, again, be appointed by the board as set forth in subdivision (a).

(e) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 26. Section 2847.3 of the Business and Professions Code is amended to read:

2847.3. (a) Commencing January 1, 2018, the executive officer position established pursuant to subdivision (a) of Section 2847.1 is temporarily abolished. Commencing January 1, 2018, the Governor shall appoint an executive officer who shall perform duties as are delegated by the board and who shall be responsible for the accomplishment of those duties. The executive officer shall exercise all powers, discharge all responsibilities, and administer and enforce all laws pursuant to this chapter and Chapter 10 (commencing with Section 4500) of Division 2 that are necessary to perform the duties delegated by the board.

(b) The executive officer shall serve at the pleasure of the Governor and the Governor shall fix the salary of the executive officer. The executive officer shall not be a member of the board.

(c) The executive officer shall be entitled to traveling and other necessary expenses in the performance of their duties.

(d) This section shall become operative on January 1, 2018, and shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 27. Section 2920 of the Business and Professions Code is amended to read:

2920. (a) The Board of Psychology shall enforce and administer this chapter. The board shall consist of nine members, four of whom shall be public members.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

(c) Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 28. Section 2933 of the Business and Professions Code is amended to read:

2933. (a) Except as provided by Section 159.5, the board shall employ and shall make available to the board within the limits of the funds received by the board all personnel necessary to carry out this chapter. The board may employ, exempt from the State Civil Service Act, an executive officer to the Board of Psychology. The board shall make all expenditures to carry out this chapter. The board may accept contributions to effectuate the purposes of this chapter.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 29. Section 3504 of the Business and Professions Code is amended to read:

3504. There is established a Physician Assistant Board within the jurisdiction of the Medical Board of California. The board consists of nine members. This section shall remain in effect only until January 1, 2022, and as of that date is repealed. Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 30. Section 3512 of the Business and Professions Code is amended to read:

3512. (a) Except as provided in Sections 159.5 and 2020, the board shall employ within the limits of the Physician Assistant Fund all personnel necessary to carry out this chapter including an executive officer who shall be exempt from civil service. The Medical Board of California and board shall make all necessary expenditures to carry out this chapter from the funds established by Section 3520. The board may accept contributions to effect the purposes of this chapter.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 31. Section 3686 of the Business and Professions Code is amended to read:

3686. This chapter shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 32. Section 3710 of the Business and Professions Code is amended to read:

3710. (a) The Respiratory Care Board of California, hereafter referred to as the board, shall enforce and administer this chapter.

(b) This section shall remain in effect only until January 1, 2023, and as of that date is repealed. Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 33. Section 3716 of the Business and Professions Code is amended to read:

3716. (a) The board may employ an executive officer exempt from civil service and, subject to the provisions of law relating to civil service, clerical assistants and, except as provided in Section 159.5, other employees as it may deem necessary to carry out its powers and duties.

(b) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 34. Section 4001 of the Business and Professions Code is amended to read:

4001. (a) There is in the Department of Consumer Affairs a California State Board of Pharmacy in which the administration and enforcement of this chapter is vested. The board consists of 13 members.

(b) The Governor shall appoint seven competent pharmacists who reside in different parts of the state to serve as members of the board. The Governor shall appoint four public members, and the Senate Committee on Rules and the Speaker of the Assembly shall each appoint a public member who shall not be a licensee of the board, any other board under this division, or any board referred to in Section 1000 or 3600.

(c) At least five of the seven pharmacist appointees to the board shall be pharmacists who are actively engaged in the practice of pharmacy. Additionally, the membership of the board shall include at least one pharmacist representative from each of the following practice settings: an acute care hospital, an independent community pharmacy, a chain community pharmacy, and a long-term health care or skilled nursing facility. The pharmacist appointees shall also include a pharmacist who is a member of a labor union that represents pharmacists. For the purposes of this subdivision, a "chain community pharmacy" means a chain of 75 or more stores in California under the same ownership, and an "independent community pharmacy" means a pharmacy owned by a person or entity who owns no more than four pharmacies in California.

(d) Members of the board shall be appointed for a term of four years. No person shall serve as a member of the board for more than two consecutive terms. Each member shall hold office until the appointment and qualification of their successor or until one year shall have elapsed since the expiration of the term for which the member was appointed, whichever first occurs. Vacancies occurring shall be filled by appointment for the unexpired term.

(e) Each member of the board shall receive a per diem and expenses as provided in Section 103.

(f) This section shall remain in effect only until January 1, 2022, and as of that date is repealed. Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 35. Section 4003 of the Business and Professions Code is amended to read:

4003. (a) The board, with the approval of the director, may appoint a person exempt from civil service who shall be designated as an executive officer and who shall exercise the powers and perform the duties delegated by the board and vested in them by this chapter. The executive officer may or may not be a member of the board as the board may determine.

(b) The executive officer shall receive the compensation as established by the board with the approval of the Director of Finance. The executive officer shall also be entitled to travel and other expenses necessary in the performance of their duties.

(c) The executive officer shall maintain and update in a timely fashion records containing the names, titles, qualifications, and places of business of all persons subject to this chapter.

(d) The executive officer shall give receipts for all money received by them and pay it to the department, taking its receipt therefor. Besides the duties required by this chapter, the executive officer shall perform other duties pertaining to the office as may be required of them by the board.

(e) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 36. Section 4501 of the Business and Professions Code is amended to read:

4501. (a) "Board," as used in this chapter, means the Board of Vocational Nursing and Psychiatric Technicians of the State of California.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 37. Section 4503 of the Business and Professions Code is amended to read:

4503. (a) The board shall administer and enforce this chapter.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 38. Section 4604 of the Business and Professions Code is amended to read:

4604. (a) In order to obtain certification as a massage therapist, an applicant shall submit a written application and provide the council with satisfactory evidence that the applicant meets all of the following requirements:

(1) The applicant is 18 years of age or older.

(2) The applicant has successfully completed the curricula in massage and related subjects totaling a minimum of 500 hours, or the credit unit equivalent, that incorporates appropriate school assessment of student knowledge and skills.

(A) Of the 500 hours, a minimum of 100 hours of instruction shall address anatomy and physiology, contraindications, health and hygiene, and business and ethics.

(B) All of the 500 hours shall be from approved schools. The council shall accept the 500 hours if, at the time all of the hours were completed, the school or schools were approved. The 500 hours may be completed at more than one approved school. Notwithstanding any other law, pursuant to its policies and procedures for approval of schools, the council shall accept hours earned by an applicant for certification as a massage therapist if those hours were completed before July 1, 2016, and were earned from a school providing education in this state that was unapproved by the council after July 1, 2016, based solely on the fact that the National Certification Board for Therapeutic Massage and Bodywork took denial or disciplinary action against the school. For purposes of this section, "unapproved" means that the council determined that it will not accept hours from a school toward certification.

(3) The applicant has passed a massage and bodywork competency assessment examination that meets generally recognized psychometric principles and standards and that is approved by the council. The successful

completion of this examination may have been accomplished before the date the council is authorized by this chapter to begin issuing certificates. This paragraph shall be inoperative commencing on January 1, 2019, and shall become operative on January 1, 2022.

(4) The applicant has successfully passed a background investigation pursuant to Section 4606, and has not violated any of the provisions of this chapter.

(5) All fees required by the council have been paid.

(6) The council may issue a certificate to an applicant who meets the qualifications of this chapter if the applicant holds a current and valid registration, certification, or license from any other state whose licensure requirements meet or exceed those defined within this chapter. If an applicant has received education at a school that is not approved by the council, the council shall have the discretion to give credit for comparable academic work completed by an applicant in a program outside of California.

(b) A certificate issued pursuant to this chapter and any identification card issued by the council shall be surrendered to the council by any certificate holder whose certificate is suspended or revoked.

SEC. 39. Section 4621 of the Business and Professions Code is amended to read:

4621. (a) This chapter shall remain in effect only until January 1, 2022, and as of that date is repealed.

(b) Notwithstanding any other law, the powers and duties of the council shall be subject to review by the appropriate policy committees of the Legislature.

SEC. 40. Section 4800 of the Business and Professions Code is amended to read:

4800. (a) There is in the Department of Consumer Affairs a Veterinary Medical Board in which the administration of this chapter is vested. The board consists of the following members:

(1) Four licensed veterinarians.

(2) One registered veterinary technician.

(3) Three public members.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

(c) Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature. However, the review of the board shall be limited to those issues identified by the appropriate policy committees of the Legislature and shall not involve the preparation or submission of a sunset review document or evaluative questionnaire.

SEC. 41. Section 4804.5 of the Business and Professions Code is amended to read:

4804.5. The board may appoint a person exempt from civil service who shall be designated as an executive officer and who shall exercise the powers and perform the duties delegated by the board and vested in them by this chapter.

This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 42. Section 4990 of the Business and Professions Code is amended to read:

4990. (a) There is in the Department of Consumer Affairs, a Board of Behavioral Sciences that consists of the following members:

(1) Two state licensed clinical social workers.

(2) One state licensed educational psychologist.

(3) Two state licensed marriage and family therapists.

(4) One state licensed professional clinical counselor.

(5) Seven public members.

(b) Each member, except the seven public members, shall have at least two years of experience in their profession.

(c) Each member shall reside in the State of California.

(d) The Governor shall appoint five of the public members and the six licensed members with the advice and consent of the Senate. The Senate Committee on Rules and the Speaker of the Assembly shall each appoint a public member.

(e) Each member of the board shall be appointed for a term of four years. A member appointed by the Senate Committee on Rules or the Speaker of the Assembly shall hold office until the appointment and qualification of their successor or until one year from the expiration date of the term for which they were appointed, whichever first occurs. Pursuant to Section 1774 of the Government Code, a member appointed by the Governor shall hold office until the appointment and qualification of their successor or until 60 days from the expiration date of the term for which they were appointed, whichever first occurs.

(f) A vacancy on the board shall be filled by appointment for the unexpired term by the authority who appointed the member whose membership was vacated.

(g) Not later than the first of June of each calendar year, the board shall elect a chairperson and a vice chairperson from its membership.

(h) Each member of the board shall receive a per diem and reimbursement of expenses as provided in Section 103.

(i) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

(j) Notwithstanding any other provision of law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 43. Section 4990.04 of the Business and Professions Code is amended to read:

4990.04. (a) The board shall appoint an executive officer. This position is designated as a confidential position and is exempt from civil service under subdivision (e) of Section 4 of Article VII of the California Constitution.

(b) The executive officer serves at the pleasure of the board.

(c) The executive officer shall exercise the powers and perform the duties delegated by the board and vested in them by this chapter.

(d) With the approval of the director, the board shall fix the salary of the executive officer.

(e) The chairperson and executive officer may call meetings of the board and any duly appointed committee at a specified time and place. For purposes of this section, "call meetings" means setting the agenda, time, date, or place for any meeting of the board or any committee.

(f) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 44. Section 5600.4 of the Business and Professions Code is amended to read:

5600.4. (a) The board shall issue, upon application and payment of the fee fixed by this chapter, a retired license to an architect who holds a license that is current and active or capable of being renewed pursuant to Section 5600.2 and whose license is not suspended, revoked, or otherwise punitively restricted by the board or subject to disciplinary action under this chapter.

(b) The holder of a retired license issued pursuant to this section shall not engage in any activity for which an active architect's license is required. An architect holding a retired license shall be permitted to use the title "architect retired" or "retired architect."

(c) The holder of a retired license shall not be required to renew that license.

(d) In order for the holder of a retired license issued pursuant to this section to restore their license to active status, the holder of a retired license shall comply with Section 5600.2 or 5600.3, as applicable.

SEC. 45. Section 5810 of the Business and Professions Code is amended to read:

5810. (a) This chapter shall be subject to review by the appropriate policy committees of the Legislature.

(b) This chapter shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 46. Section 7000 of the Business and Professions Code is amended to read:

7000. This chapter constitutes, and may be cited as, the Contractors State License Law.

SEC. 47. Section 7000.5 of the Business and Professions Code is amended to read:

7000.5. (a) There is in the Department of Consumer Affairs a Contractors State License Board, which consists of 15 members.

(b) Notwithstanding any other provision of law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

(c) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 48. Section 7000.6 of the Business and Professions Code is amended to read:

7000.6. Protection of the public shall be the highest priority for the Contractors State License Board in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

SEC. 49. Section 7011.4 of the Business and Professions Code is amended to read:

7011.4. (a) Notwithstanding Section 7011, there is in the Contractors State License Board, a separate enforcement division that shall rigorously enforce this chapter prohibiting all forms of unlicensed activity and shall enforce the obligation to secure the payment of valid and current workers' compensation insurance in accordance with Section 3700.5 of the Labor Code.

(b) Persons employed as enforcement representatives of the Contractors State License Board and designated by the Director of Consumer Affairs shall have the authority to issue a written notice to appear in court pursuant to Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code. An employee so designated is not a peace officer and is not entitled to safety member retirement benefits as a result of that designation. They do not have the power of arrest.

(c) When participating in the activities of the Joint Enforcement Strike Force on the Underground Economy pursuant to Section 329 of the Unemployment Insurance Code, the enforcement division shall have free access to all places of labor.

SEC. 50. Section 7011.5 of the Business and Professions Code is amended to read:

7011.5. Persons employed as investigators of the Special Investigations Unit of the Contractors State License Board and designated by the Director of Consumer Affairs have the authority of peace officers while engaged in exercising the powers granted or performing the duties imposed upon them in investigating the laws administered by the Contractors State License Board or commencing directly or indirectly any criminal prosecution arising from any investigation conducted under these laws. All persons herein referred to shall be deemed to be acting within the scope of employment with respect to all acts and matters in this section set forth.

SEC. 51. Section 7011.8 of the Business and Professions Code is amended to read:

7011.8. (a) Any person subject to licensure under this chapter who reports to, or causes a complaint to be filed with, the Contractors State License Board that a person licensed by that entity has engaged in professional misconduct, knowing the report or complaint to be false, may be issued a citation by the registrar.

(b) The board may notify the appropriate district attorney or city attorney that a person subject to licensure under this chapter has made or filed what the entity believes to be a false report or complaint against a licensee.

SEC. 52. Section 7015 of the Business and Professions Code is amended to read:

7015. The board shall adopt a seal for its own use. The seal shall have the words "Contractors State License Board, State of California, Department of Consumer Affairs," and the care and custody thereof shall be in the hands of the registrar.

SEC. 53. Section 7017.3 of the Business and Professions Code is amended to read:

7017.3. The Contractors State License Board shall report annually to the Legislature, not later than October 1 of each year, the following statistical information for the prior fiscal year. The following data shall be reported on complaints filed with the board against licensed contractors, registered home improvement salespersons, and unlicensed persons acting as licensees or registrants:

(a) The number of complaints received by the board categorized by source, such as public, trade, profession, government agency, or board-initiated, and by type of complaint, such as licensee or nonlicensee.

(b) The number of complaints closed prior to referral for field investigation, categorized by the reason for the closure, such as settled, referred for mandatory arbitration, or referred for voluntary arbitration.

(c) The number of complaints referred for field investigation categorized by the type of complaint, such as licensee or nonlicensee.

(d) The number of complaints closed after referral for field investigation categorized by the reason for the closure, such as settled, referred for mandatory arbitration, or referred for voluntary arbitration.

(e) For the board's Intake/Mediation Center and the board's Investigation Center closures, respectively, the total number of complaints closed prior to a field investigation per consumer services representative, and the total number of complaints closed after referral for a field investigation per enforcement representative. Additionally, the board shall report the total number of complaints closed by other board staff during the year.

(f) The number of complaints pending at the end of the fiscal year grouped in 90-day increments, and the percentage of total complaints pending, represented by the number of complaints in each grouping.

(g) The number of citations issued to licensees categorized by the type of citation such as order of correction only or order of correction and fine, and the number of citations issued to licensees that were vacated or withdrawn.

(h) The number of citations issued to nonlicensees and the number of these citations that were vacated or withdrawn.

(i) The number of complaints referred to a local prosecutor for criminal investigation or prosecution, the number of complaints referred to the Attorney General for the filing of an accusation, and the number of complaints referred to both a local prosecutor and the Attorney General, categorized by type of complaint, such as licensee and nonlicensee.

(j) Actions taken by the board, including, but not limited to, the following:

(1) The number of disciplinary actions categorized by type, such as revocations or suspensions, categorized by whether the disciplinary action resulted from an accusation, failure to comply with a citation, or failure to comply with an arbitration award.

(2) The number of accusations dismissed or withdrawn.

(k) For subdivisions (g) and (j), the number of cases containing violations of Sections 7121 and 7121.5, and paragraph (5) of subdivision (a) of Section 7159.5, categorized by section.

(l) The number of interim suspension orders sought, the number of interim suspension orders granted, the number of temporary restraining orders sought, and the number of temporary restraining orders granted.

(m) The amount of cost recovery ordered and the amount collected.

(n) Case aging data, including data for each major stage of the enforcement process, including the following:

(1) The average number of days from the filing of a complaint to its closure by the board's Intake/Mediation Center prior to the referral for an investigation categorized by the type of complaint, such as licensee or nonlicensee.

(2) The average number of days from the referral of a complaint for an investigation to its closure by the Investigation Center categorized by the type of complaint, such as licensee or nonlicensee.

(3) The average number of days from the filing of a complaint to the referral of the completed investigation to the Attorney General.

(4) The average number of days from the referral of a completed investigation to the Attorney General to the filing of an accusation by the Attorney General.

(5) The average number of days from the filing of an accusation to the first hearing date or date of a stipulated settlement.

(6) The average number of days from the receipt of the Administrative Law Judge's proposed decision to the registrar's final decision.

SEC. 54. Section 7028.7 of the Business and Professions Code is amended to read:

7028.7. (a) If upon inspection or investigation, either upon complaint or otherwise, the registrar has probable cause to believe that a person is acting in the capacity of or engaging in the business of a contractor or salesperson within this state without having a license or registration in good standing to so act or engage, and the person is not otherwise exempted from this chapter, the registrar shall issue a citation to that person.

(b) Within 72 hours of receiving notice that a public entity is intending to award, or has awarded, a contract to an unlicensed contractor, the registrar shall give written notice to the public entity that a citation may be issued if a contract is awarded to an unlicensed contractor. If after receiving the written notice from the registrar that the public entity has awarded or awards the contract to an unlicensed contractor, the registrar may issue a citation to the responsible officer or employee of the public entity as specified in Section 7028.15.

(c) Each citation shall be in writing and shall describe with particularity the basis of the citation. Notwithstanding Sections 125.9 and 148, each citation shall contain an order of abatement and an assessment of a civil penalty in an amount not less than two hundred dollars (\$200) nor more than fifteen thousand dollars (\$15,000).

(d) With the approval of the Contractors State License Board, the registrar shall prescribe procedures for the issuance of a citation under this section. The board shall adopt regulations covering the assessment of a civil penalty that shall give due consideration to the gravity of the violation, and any history of previous violations.

(e) The sanctions authorized under this section shall be separate from, and in addition to, all other remedies either civil or criminal.

SEC. 55. Section 7030 of the Business and Professions Code is amended to read:

7030. (a) Except for contractors writing home improvement contracts pursuant to Section 7151.2 and contractors writing service and repair contracts pursuant to Section 7159.10, every person licensed pursuant to this chapter shall include the following statement in at least 10-point type on all written contracts with respect to which the person is a prime contractor:

"Contractors are required by law to be licensed and regulated by the Contractors State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, CA 95826."

(b) Every person licensed pursuant to this chapter shall include the following statement in at least 12-point type in all home improvement contracts written pursuant to Section 7151.2 and service and repair contracts written pursuant to Section 7159.10:

"Information about the Contractors State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's internet website at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

(c) Failure to comply with the notice requirements set forth in subdivision (a) or (b) of this section is cause for disciplinary action.

SEC. 56. Section 7031 of the Business and Professions Code is amended to read:

7031. (a) Except as provided in subdivision (e), no person engaged in the business or acting in the capacity of a contractor, may bring or maintain any action, or recover in law or equity in any action, in any court of this state for the collection of compensation for the performance of any act or contract where a license is required by this chapter without alleging that they were a duly licensed contractor at all times during the performance of that act or contract regardless of the merits of the cause of action brought by the person, except that this prohibition shall not apply to contractors who are each individually licensed under this chapter but who fail to comply with Section 7029.

(b) Except as provided in subdivision (e), a person who utilizes the services of an unlicensed contractor may bring an action in any court of competent jurisdiction in this state to recover all compensation paid to the unlicensed contractor for performance of any act or contract.

(c) A security interest taken to secure any payment for the performance of any act or contract for which a license is required by this chapter is unenforceable if the person performing the act or contract was not a duly licensed contractor at all times during the performance of the act or contract.

(d) If licensure or proper licensure is controverted, then proof of licensure pursuant to this section shall be made by production of a verified certificate of licensure from the Contractors State License Board which establishes that the individual or entity bringing the action was duly licensed in the proper classification of contractors at all times during the performance of any act or contract covered by the action. Nothing in this subdivision shall require any person or entity controverting licensure or proper licensure to produce a verified certificate. When licensure or proper licensure is controverted, the burden of proof to establish licensure or proper licensure shall be on the licensee.

(e) The judicial doctrine of substantial compliance shall not apply under this section where the person who engaged in the business or acted in the capacity of a contractor has never been a duly licensed contractor in this state. However, notwithstanding subdivision (b) of Section 143, the court may determine that there has been substantial compliance with licensure requirements under this section if it is shown at an evidentiary hearing that the person who engaged in the business or acted in the capacity of a contractor (1) had been duly licensed as a contractor in this state prior to the performance of the act or contract, (2) acted reasonably and in good faith to maintain proper licensure, and (3) acted promptly and in good faith to remedy the failure to comply with the licensure requirements upon learning of the failure.

(f) The exceptions to the prohibition against the application of the judicial doctrine of substantial compliance found in subdivision (e) shall apply to all contracts entered into on or after January 1, 1992, and to all actions or arbitrations arising therefrom, except that the amendments to subdivisions (e) and (f) enacted during the 1994 portion of the 1993-94 Regular Session of the Legislature shall not apply to either of the following:

(1) Any legal action or arbitration commenced prior to January 1, 1995, regardless of the date on which the parties entered into the contract.

(2) Any legal action or arbitration commenced on or after January 1, 1995, if the legal action or arbitration was commenced prior to January 1, 1995, and was subsequently dismissed.

SEC. 57. Section 7058.7 of the Business and Professions Code is amended to read:

7058.7. (a) No contractor may engage in a removal or remedial action, as defined in subdivision (d), unless the qualifier for the license has passed an approved hazardous substance certification examination.

(b) (1) The Contractors State License Board, the Division of Occupational Safety and Health of the Department of Industrial Relations, and the Department of Toxic Substances Control shall jointly select an advisory committee, which shall be composed of two representatives of hazardous substance removal workers in California, two general engineering contractors in California, and two representatives of insurance companies in California who shall be selected by the Insurance Commissioner.

(2) The Contractors State License Board shall develop a written test for the certification of contractors engaged in hazardous substance removal or remedial action, in consultation with the Division of Occupational Safety and Health, the State Water Resources Control Board, the Department of Toxic Substances Control, and the advisory committee.

(c) The Contractors State License Board may require additional updated approved hazardous substance certification examinations of licensees currently certified based on new public or occupational health and safety information. The Contractors State License Board, in consultation with the Department of Toxic Substances Control and the State Water Resources Control Board, shall approve other initial and updated hazardous substance certification examinations and determine whether to require an updated certification examination of all current certificate holders.

(d) For purposes of this section "removal or remedial action" has the same meaning as found in Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, if the action requires the contractor to dig into the surface of the earth and remove the dug material and the action is at a site listed pursuant to Section 25356 of the Health and Safety Code or any other site listed as a hazardous substance release site by the Department of Toxic Substances Control or a site listed on the National Priorities List compiled pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.). "Removal or remedial action" does not include asbestos-related work, as defined in Section 6501.8 of the Labor Code, or work related to a hazardous substance spill on a highway.

(e) (1) A contractor may not install or remove an underground storage tank, unless the contractor has passed the hazardous substance certification examination developed pursuant to this section.

(2) A contractor who is not certified may bid on or contract for the installation or removal of an underground tank, if the work is performed by a contractor who is certified pursuant to this section.

(3) For purposes of this subdivision, "underground storage tank" has the same meaning as defined in subdivision (y) of Section 25281 of the Health and Safety Code.

SEC. 58. Section 7071.4 of the Business and Professions Code is amended to read:

7071.4. (a) Each person licensed under the provisions of this chapter and subject to any of the bonding provisions of this article shall maintain the requisite bond as executed by an admitted surety insurer or as deposited with the registrar pursuant to paragraph (1) of subdivision (a) of Section 995.710 of the Code of Civil Procedure in the appropriate amount. Notwithstanding Article 7 (commencing with Section 995.710) of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure, no other method of deposit, including, but not limited to, a certificate of deposit, shall satisfy a bond requirement under this article.

(b) All existing alternatives in lieu of a bond currently filed with the registrar shall be replaced for a surety bond or the deposit prescribed by paragraph (1) of subdivision (a) of Section 995.710 of the Code of Civil Procedure by January 1, 2020.

(c) (1) If the board is notified, in writing, of a civil action against the deposit authorized under this section, the deposit or any portion thereof shall not be released for any purpose, except as determined by the court.

(2) If any deposit authorized under this section is insufficient to pay, in full, all claims that have been adjudicated under any action filed in accordance with this section, the amount of the deposit shall be distributed to all claimants in proportion to the amount of their respective claims.

(d) Notwithstanding subdivision (a), this section shall not apply to the bond equivalents described in Section 7159.5 of this chapter.

(e) (1) This section shall be operative on and after January 1, 2019, upon which date the registrar shall thereafter no longer accept alternatives in lieu of a bond, other than as provided in this section.

(2) Notwithstanding any other law, in order to comply with the bonding provisions of this article, a person shall only be required to provide information consistent with the requirements for an applicant under Section 30.

(f) All alternatives in lieu of a bond filed with the registrar before January 1, 2019, and any lawful money or cashier's check deposited pursuant to paragraph (1) of subdivision (a) of Section 995.710 of the Code of Civil Procedure after January 1, 2019, shall be subject to the following limitations periods:

(1) Any action, other than an action to recover wages or fringe benefits, against a deposit given in lieu of a contractor's bond or bond of a qualifying individual filed by an active licensee shall be brought within three years after the expiration of the license period during which the act or omission occurred, or within three years of the date the license of the active licensee was inactivated, canceled, or revoked by the board, whichever occurs first.

(2) Any action, other than an action to recover wages or fringe benefits, against a deposit given in lieu of a disciplinary bond filed by an active licensee pursuant to Section 7071.8 shall be brought within three years after the expiration of the license period during which the act or omission occurred, or within three years of the date the license of the active licensee was inactivated, canceled, or revoked by the board, or within three years after the last date for which a deposit given in lieu of a disciplinary bond filed pursuant to Section 7071.8 was required, whichever date is first.

(3) A claim to recover wages or fringe benefits shall be brought within six months from the date that the wage or fringe benefit delinquencies were discovered, but in no event shall a civil action thereon be brought later than two years from the date the wage or fringe benefit contributions were due.

(g) In any case in which a claim is filed against an alternative given in lieu of a bond filed with the registrar before January 1, 2019, or deposited with the registrar pursuant to subdivision (a), by any employee or by an employee organization on behalf of an employee, concerning wages or fringe benefits based upon the employee's employment, claims for the nonpayment shall be filed with the Labor Commissioner. The Labor Commissioner shall, pursuant to the authority vested by Section 96.5 of the Labor Code, conduct hearings to determine whether or not the wages or fringe benefits should be paid to the complainant. Upon a finding by the commissioner that the wages or fringe benefits should be paid to the complainant, the commissioner shall notify the registrar of the findings. The registrar shall not make payment from the deposit on the basis of findings by the commissioner for a period of 10 days following determination of the findings. If, within the period, the complainant or the contractor files written notice with the registrar and the commissioner of an intention to seek judicial review of the findings pursuant to Section 11523 of the Government Code, the registrar shall not make payment if an action is actually filed, except as determined by the court. If, thereafter, no action is filed within 60 days following determination of findings by the commissioner, the registrar shall make payment from the deposit to the complainant.

(h) Legal fees may not be charged by the board against any alternative given in lieu of a bond filed with the registrar before January 1, 2019, or deposited with the registrar pursuant to subdivision (a).

SEC. 59. Section 7080.5 of the Business and Professions Code is amended to read:

7080.5. When an application has been accepted by the registrar, the name and address of the applicant, every classification for which the applicant has applied, and the names and titles of all personnel who have signed the application shall be publicly posted by the registrar, on the day following acceptance, in the office of the Contractors State License Board in Sacramento.

SEC. 60. Section 7085.5 of the Business and Professions Code is amended to read:

7085.5. Arbitrations of disputes arising out of cases filed with or by the board shall be conducted in accordance with the following rules:

(a) All "agreements to arbitrate" shall include the names, addresses, and telephone numbers of the parties to the dispute, the issue in dispute, and the amount in dollars or any other remedy sought. The appropriate fee shall be paid by the board from the Contractors License Fund.

(b) (1) The board or appointed arbitration association shall appoint an arbitrator in the following manner: immediately after the filing of the agreement to arbitrate, the board or appointed arbitration association shall submit simultaneously to each party to the dispute, an identical list of names of persons chosen from the panel. Each party to the dispute shall have seven days from the mailing date in which to cross off any names to which it objects, number the remaining names to indicate the order of preference, and return the list to the board or appointed arbitration association. If a party does not return the list within the time specified, all persons named in the list are acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the board or appointed arbitration association shall appoint an arbitrator to serve. If the parties fail to agree on any of the parties named, if acceptable arbitrators are unable to act, or if, for any other reason, the appointment cannot be made from the submitted lists, the board or appointed arbitration association shall have the power to make the appointment from among other members of the panel without the submission of any additional lists. Each dispute shall be heard and determined by one arbitrator unless the board or appointed arbitration association, in its discretion, directs that a greater number of arbitrators be appointed.

(2) In all cases in which a complaint has been referred to arbitration pursuant to subdivision (b) of Section 7085, the board or the appointed arbitration association shall have the power to appoint an arbitrator to hear the matter.

(3) The board shall adopt regulations setting minimum qualification standards for listed arbitrators based upon relevant training, experience, and performance.

(c) No person shall serve as an arbitrator in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Prior to accepting an appointment, the prospective arbitrator shall disclose any circumstances likely to prevent a prompt hearing or to create a presumption of bias. Upon receipt of that information, the board or appointed arbitration association shall immediately replace the arbitrator or communicate the information to the parties for their comments. Thereafter, the board or appointed arbitration association shall determine whether the arbitrator should be disqualified and shall inform the parties of its decision, which shall be conclusive.

(d) The board or appointed arbitration association may appoint another arbitrator if a vacancy occurs, or if an appointed arbitrator is unable to serve in a timely manner.

(e) (1) The board or appointed arbitration association shall provide the parties with a list of the times and dates, and locations of the hearing to be held. The parties shall notify the arbitrator, within seven calendar days of the mailing of the list, of the times and dates convenient to each party. If the parties fail to respond to the arbitrator within the seven-day period, the arbitrator shall fix the time, place, and location of the hearing. An arbitrator may, at the arbitrator's sole discretion, make an inspection of the construction site which is the subject of the arbitration. The arbitrator shall notify the parties of the time and date set for the inspection. Any party who so desires may be present at the inspection.

(2) The board or appointed arbitration association shall fix the time, place, and location of the hearing for all cases referred to arbitration pursuant to subdivision (b) of Section 7085. An arbitrator may, at the arbitrator's sole discretion, make an inspection of the construction site which is the subject of the arbitration. The arbitrator shall notify the parties of the time and date set for the inspection. Any party who desires may be present at the inspection.

(f) Any person having a direct interest in the arbitration is entitled to attend the hearing. The arbitrator shall otherwise have the power to require the exclusion of any witness, other than a party or other essential person, during the testimony of any other witness. It shall be discretionary with the arbitrator to determine the propriety of the attendance of any other person.

(g) Hearings shall be adjourned by the arbitrator only for good cause.

(h) A record is not required to be taken of the proceedings. However, any party to the proceeding may have a record made at its own expense. The parties may make appropriate notes of the proceedings.

(i) The hearing shall be conducted by the arbitrator in any manner which will permit full and expeditious presentation of the case by both parties. Consistent with the expedited nature of arbitration, the arbitrator shall

establish the extent of, and schedule for, the production of relevant documents and other information, the identification of any witnesses to be called, and a schedule for any hearings to elicit facts solely within the knowledge of one party. The complaining party shall present its claims, proofs, and witnesses, who shall submit to questions or other examination. The defending party shall then present its defenses, proofs, and witnesses, who shall submit to questions or other examination. The arbitrator has discretion to vary this procedure but shall afford full and equal opportunity to the parties for the presentation of any material or relevant proofs.

(j) The arbitration may proceed in the absence of any party who, after due notice, fails to be present. The arbitrator shall require the attending party to submit supporting evidence in order to make an award. An award for the attending party shall not be based solely on the fact that the other party has failed to appear at the arbitration hearing.

(k) The arbitrator shall be the sole judge of the relevancy and materiality of the evidence offered and conformity to legal rules of evidence shall not be required.

(l) The arbitrator may receive and consider documentary evidence. Documents to be considered by the arbitrator may be submitted prior to the hearing. However, a copy shall be simultaneously transmitted to all other parties and to the board or appointed arbitration association for transmittal to the arbitrator or board appointed arbitrator.

(m) The arbitrator shall specifically inquire of the parties whether they have any further proofs to offer or witnesses to be heard. Upon receiving negative replies, the arbitrator shall declare the hearing closed and minutes thereof shall be recorded. If briefs are to be filed, the hearing shall be declared closed as of the final date set by the arbitrator for the receipt of briefs. If documents are to be filed as requested by the arbitrator and the date set for their receipt is later than that set for the receipt of briefs, the later date shall be the date of closing the hearings. The time limit within which the arbitrator is required to make the award shall commence to run, in the absence of other agreements by the parties, upon the closing of the hearings.

(n) The hearing may be reopened on the arbitrator's own motion.

(o) Any party who proceeds with the arbitration after knowledge that any provision or requirement of these rules has not been complied with, and who fails to state their objections to the arbitrator in writing, within 10 calendar days of close of hearing, shall be deemed to have waived their right to object.

(p) (1) Except as provided in paragraph (2), any papers or process necessary or proper for the initiation or continuation of an arbitration under these rules and for any court action in connection therewith, or for the entry of judgment on an award made thereunder, may be served upon any party (A) by regular mail addressed to that party or their attorney at the party's last known address, or (B) by personal service.

(2) Notwithstanding paragraph (1), in all cases referred to arbitration pursuant to subdivision (b) of Section 7085 in which the contractor fails or refuses to return an executed copy of the notice to arbitrate within the time specified, any papers or process specified in paragraph (1) to be sent to the contractor, including the notice of hearing, shall be mailed by certified mail to the contractor's address of record.

(q) The award shall be made promptly by the arbitrator, and unless otherwise agreed by the parties, no later than 30 calendar days from the date of closing the hearing, closing a reopened hearing, or if oral hearing has been waived, from the date of transmitting the final statements and proofs to the arbitrator.

The arbitrator may for good cause extend any period of time established by these rules, except the time for making the award. The arbitrator shall notify the parties of any extension and the reason therefor.

(r) (1) The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of the board's referral and the requirements of the board. The arbitrator, in their sole discretion, may award costs or expenses.

(2) The amendments made in paragraph (1) during the 2003-04 Regular Session shall not be interpreted to prevent an arbitrator from awarding a complainant all direct costs and expenses for the completion or repair of the project.

(s) The award shall become final 30 calendar days from the date the arbitration award is issued. The arbitrator, upon written application of a party to the arbitration, may correct the award upon the following grounds:

(1) There was an evident miscalculation of figures or an evident mistake in the description of any person, things, or property referred to in the award.

(2) There is any other clerical error in the award, not affecting the merits of the controversy.

An application for correction of the award shall be made within 10 calendar days of the date of service of the award by serving a copy of the application on the arbitrator, and all other parties to the arbitration. Any party to the arbitration may make a written objection to the application for correction by serving a copy of the written objection on the arbitrator, the board, and all other parties to the arbitration, within 10 calendar days of the date of service of the application for correction.

The arbitrator shall either deny the application or correct the award within 30 calendar days of the date of service of the original award by mailing a copy of the denial or correction to all parties to the arbitration. Any appeal from the denial or correction shall be filed with a court of competent jurisdiction and a true copy thereof shall be filed with the arbitrator or appointed arbitration association within 30 calendar days after the award has become final. The award shall be in writing, and shall be signed by the arbitrator or a majority of them. If no appeal is filed within the 30-calendar day period, it shall become a final order of the registrar.

(t) Service of the award by certified mail shall be effective if a certified letter containing the award, or a true copy thereof, is mailed by the arbitrator or arbitration association to each party or to a party's attorney of record at their last known address, address of record, or by personally serving any party. Service may be proved in the manner authorized in civil actions.

(u) The board shall pay the expenses of one expert witness appointed by the board when the services of an expert witness are requested by either party involved in arbitration pursuant to this article and the case involves workmanship issues that are itemized in the complaint and have not been repaired or replaced. Parties who choose to present the findings of another expert witness as evidence shall pay for those services. Payment for expert witnesses appointed by the board shall be limited to the expert witness costs for inspection of the problem at the construction site, preparation of the expert witness' report, and expert witness fees for appearing or testifying at a hearing. All requests for payment to an expert witness shall be submitted on a form that has been approved by the registrar. All requests for payment to an expert witness shall be reviewed and approved by the board prior to payment. The registrar shall advise the parties that names of industry experts may be obtained by requesting this information from the registrar.

(v) The arbitrator shall interpret and apply these rules insofar as they relate to their powers and duties.

(w) The following shall apply as to court procedure and exclusion of liability:

(1) The board, the appointed arbitration association, or any arbitrator in a proceeding under these rules is not a necessary party in judicial proceedings relating to the arbitration.

(2) Parties to these rules shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(3) The board, the appointed arbitration association, or any arbitrator is not liable to any party for any act or omission in connection with any arbitration conducted under these rules.

SEC. 61. Section 7099.2 of the Business and Professions Code is amended to read:

7099.2. (a) The board shall promulgate regulations covering the assessment of civil penalties under this article that give due consideration to the appropriateness of the penalty with respect to the following factors:

(1) The gravity of the violation.

(2) The good faith of the licensee or applicant for licensure being charged.

(3) The history of previous violations.

(b) Except as otherwise provided by this chapter, no civil penalty shall be assessed in an amount greater than five thousand dollars (\$5,000). Notwithstanding Section 125.9, a civil penalty not to exceed fifteen thousand dollars (\$15,000) may be assessed for a violation of Section 7114 or 7118.

SEC. 62. Section 7099.9 is added to the Business and Professions Code, to read:

7099.9. (a) If, upon investigation, the registrar has probable cause to believe that a licensee, registrant, or applicant has committed acts or omissions that are grounds for denial, suspension, or revocation of a license or registration, the registrar, or their designee, may issue a letter of admonishment to an applicant, licensee, or

registrant in lieu of issuing a citation. Nothing in this article shall in any way limit the registrar's discretionary authority or ability to issue a letter of admonishment as prescribed by this subdivision.

(b) The letter of admonishment shall be in writing and shall describe in detail the nature and facts of the violation, including a reference to the statutes or regulations violated. The letter of admonishment shall inform the licensee, registrant, or applicant that within 30 days of service of the letter of admonishment the licensee, registrant, or applicant may do either of the following:

(1) Submit a written request for an office conference to the registrar to contest the letter of admonishment. Upon a timely request, the registrar, or their designee, shall hold an office conference with the licensee, registrant, or applicant and, if applicable, their legal counsel or authorized representative.

(A) No individual other than the legal counsel or authorized representative of the licensee, registrant, or applicant may accompany the licensee, registrant, or applicant to the office conference.

(B) Prior to or at the office conference, the licensee, registrant, or applicant may submit to the registrar declarations and documents pertinent to the subject matter of the letter of admonishment.

(C) The office conference is intended to be informal and shall not be subject to the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) or Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(D) After the office conference, the registrar, or their designee, may affirm, modify, or withdraw the letter of admonishment. Within 14 calendar days from the date of the office conference, the registrar, or their designee, shall personally serve or send the written decision by certified mail to the licensee's, registrant's, or applicant's address of record. This decision shall be deemed the final administrative decision concerning the letter of admonishment.

(E) Judicial review of the decision may be had by filing a petition for a writ of mandate in accordance with the provisions of Section 1094.5 of the Code of Civil Procedure within 30 days after the date the decision was personally served or sent by certified mail. The judicial review shall extend to the question of whether or not there was a prejudicial abuse of discretion in the issuance of the letter of admonishment or in the decision after the office conference.

(2) Comply with the letter of admonishment and, if required, submit a written corrective action plan to the registrar documenting compliance. If an office conference is not requested pursuant to this section, compliance with the letter of admonishment shall not constitute an admission of the violation noted in the letter of admonishment.

(c) The letter of admonishment shall be served upon the licensee, registrant, or applicant personally or by certified mail at their address of record with the board. If the licensee, registrant, or applicant is served by certified mail, service shall be effective upon deposit in the United States mail.

(d) The licensee, registrant, or applicant shall maintain and have readily available a copy of the letter of admonishment and corrective action plan, if any, for at least one year from the date of issuance of the letter of admonishment.

(e) Nothing in this subdivision shall in any way limit the board's authority or ability to do either of the following:

(1) Issue a citation pursuant to Section 125.9, 148, or 7099.

(2) Institute disciplinary proceedings pursuant to this article.

(f) The issuance of a letter of admonishment shall not be construed as a disciplinary action or discipline for purposes of licensure or the reporting of discipline for licensure.

(g) The board shall not issue a letter of admonishment when any one of the following factors is present:

(1) The licensee, registrant, or applicant was unlicensed at the time of the violation.

(2) Multiple violations have been established.

(3) The licensee, registrant, or applicant has a history of the same or similar violations.

(4) The violation resulted in financial harm to another.

(5) The victim is an elder or dependent adult as defined in Section 368 of the Penal Code.

(6) The violation is related to the repair of damage caused by a natural disaster.

(h) The board may adopt regulations to further define the circumstances under which a letter of admonishment may be issued.

SEC. 63. Section 7123.5 of the Business and Professions Code is amended to read:

7123.5. If a contractor is convicted of violating Section 396 of the Penal Code or any substantially similar local ordinance in connection with the sale, or offer for sale, of repair or reconstruction services, as defined in Section 396 of the Penal Code, the Contractors State License Board shall take disciplinary action against the contractor, which shall include a suspension of at least six months or the permanent revocation of the contractor's license.

SEC. 64. Section 7135 of the Business and Professions Code is amended to read:

7135. (a) The fees and civil penalties received under this chapter shall be deposited in the Contractors License Fund. All moneys in the fund are hereby appropriated for the purposes of this chapter.

(b) It is the intent of the Legislature that the board shall use moneys appropriated from the fund to improve its administrative and investigative oversight activities and capacity.

SEC. 65. Section 7136 of the Business and Professions Code is amended to read:

7136. The director shall designate a sum not to exceed 10 percent of the total income of the Contractors State License Board for each fiscal year to be transferred to the Consumer Affairs Fund as the board's share of the cost of administration of the department.

SEC. 66. Section 7137 of the Business and Professions Code is amended to read:

7137. The board may set fees by regulation. These fees shall be set according to the following schedule:

(a) (1) The application fee for an original license in a single classification shall be three hundred thirty dollars (\$330) and may be increased to not more than three hundred seventy-five dollars (\$375).

(2) The application fee for each additional classification applied for in connection with an original license shall not be more than eighty-five dollars (\$85).

(3) The application fee for each additional classification pursuant to Section 7059 shall be one hundred fifty dollars (\$150) and may be increased to not more than one hundred seventy-five dollars (\$175).

(4) The application fee to replace a responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee pursuant to Section 7068.2 shall be one hundred fifty dollars (\$150) and may be increased to not more than one hundred seventy-five dollars (\$175).

(5) The application fee to add personnel, other than a qualifying individual, to an existing license shall be one hundred dollars (\$100) and may be increased to not more than one hundred fifteen dollars (\$115).

(b) The fee for rescheduling an examination for an applicant who has applied for an original license, additional classification, a change of responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee, or for an asbestos certification or hazardous substance removal certification, shall not be more than seventy dollars (\$70).

(c) The fee for scheduling or rescheduling an examination for a licensee who is required to take the examination as a condition of probation shall not be more than seventy dollars (\$70).

(d) The initial license fee for an active or inactive license shall be two hundred dollars (\$200) and may be increased to not more than two hundred twenty-five dollars (\$225).

(e) (1) The renewal fee for an active license shall be four hundred dollars (\$400) and may be increased to not more than four hundred fifty dollars (\$450).

(2) The renewal fee for an inactive license shall be two hundred dollars (\$200) and may be increased to not more than two hundred twenty-five dollars (\$225).

(f) The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration.

(g) The registration fee for a home improvement salesperson shall be eighty-three dollars (\$83) and may be increased to not more than ninety-five dollars (\$95).

(h) The renewal fee for a home improvement salesperson registration shall be eighty-three dollars (\$83) and may be increased to not more than ninety-five dollars (\$95).

(i) The application fee for an asbestos certification examination shall be eighty-three dollars (\$83) and may be increased to not more than ninety-five dollars (\$95).

(j) The application fee for a hazardous substance removal or remedial action certification examination shall be eighty-three dollars (\$83) and may be increased to not more than ninety-five dollars (\$95).

(k) In addition to any other fees charged to C-10 contractors, the board shall charge a fee of twenty dollars (\$20), to be assessed with the renewal fee for an active license, which shall be used by the board to enforce provisions of the Labor Code related to electrician certification.

(l) The service fee to deposit with the registrar lawful money or cashier's check pursuant to paragraph (1) of subdivision (a) of Section 995.710 of the Code of Civil Procedure for purposes of compliance with any provision of Article 5 (commencing with Section 7065) shall be one hundred dollars (\$100), which shall be used by the board only to process each deposit filed with the registrar, to cover the reasonable costs to the registrar for holding money or cashier's checks in trust in interest bearing deposit or share accounts, and to offset the costs of processing payment of lawful claims against a deposit in a civil action.

(m) The board shall, by regulation, establish criteria for the approval of expedited processing of applications. Approved expedited processing of applications for licensure or registration, as required by other provisions of law, shall not be subject to this subdivision.

SEC. 67. Section 7137.5 of the Business and Professions Code is amended to read:

7137.5. The sum of ten thousand dollars (\$10,000) shall be transferred from the Contractors License Fund to the Controller for the exclusive use of the California Uniform Construction Cost Accounting Commission.

The commission shall prepare a recommendation to the Legislature for a local public agency source to fund the commission beginning July 1, 1991, which will provide revenue supported by the contract activities represented by the commission's authority.

Upon adoption of this funding program, the commission shall reimburse the Contractors License Fund in the amount of ten thousand dollars (\$10,000).

SEC. 68. Section 7138 of the Business and Professions Code is amended to read:

7138. Notwithstanding any other provision of law, a fee paid in connection with a service or application covered by Section 7137 shall accrue to the Contractors License Fund as an earned fee and shall not be refunded.

SEC. 69. Section 7139.1 of the Business and Professions Code is amended to read:

7139.1. The Legislature hereby finds and declares all of the following:

(a) There is a demand and increasing need for construction management education programs and resources within the postsecondary education system that prepare graduates for the management of construction operations and companies regulated by the Contractors State License Law and enforced by the Contractors State License Board.

(b) Although construction management programs do exist within the state university system, these programs are woefully underfunded and insufficiently funded to provide training on state-of-the-art management information systems for either graduates or extension programs for continuing education of licensed contractors. Construction industry associations have provided some assistance through direct grants and scholarships, but the industrywide service of these programs and the need for additional assistance mandates broad based industrywide support.

(c) It is the intent of the Legislature that by enabling contractors to designate a portion of their licensure fee and providing a format for contractors to contribute funds to construction management education, this article will receive broad based industry support. In addition, this article allows the contractor to demonstrate the importance of construction management education. This assistance will enable greater development of construction management curricula and will improve the overall quality of construction by providing construction management training to California licensed contractors and their current and future management personnel.

SEC. 70. Section 7139.2 of the Business and Professions Code is amended to read:

7139.2. (a) There is hereby created the Construction Management Education Account (CMEA) as a separate account in the Contractors License Fund for the purposes of construction management education. Funds in the account shall be available for the purposes of this article upon appropriation by the Legislature.

(b) The Contractors State License Board shall allow a contractor to make a contribution to the Construction Management Education Account at the time of the contractor license fee payment. The license fee form shall clearly display this alternative on its face and shall clearly inform the licensee that this provision is a contribution to the Construction Management Education Account and is in addition to the fees.

(c) The board may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this article. Grant moneys shall be deposited into the Construction Management Education Account.

SEC. 71. Section 7141.5 of the Business and Professions Code is amended to read:

7141.5. The registrar shall grant the retroactive renewal of a license if, within 90 days of the expiration of the license, the otherwise eligible licensee submits a completed application for renewal on a form prescribed by the registrar, and pays the appropriate renewal fee and delinquency fee prescribed by this chapter. For the purposes of this section, an application shall be deemed submitted if it is delivered to the board's headquarters or postmarked within 90 days of the expiration of the license.

SEC. 72. Section 7145.5 of the Business and Professions Code is amended to read:

7145.5. (a) The registrar may refuse to issue, reinstate, reactivate, or renew a license or may suspend a license for the failure of a licensee to resolve all outstanding final liabilities, which include taxes, additions to tax, penalties, interest, and any fees that may be assessed by the board, the Department of Industrial Relations, the Employment Development Department, the Franchise Tax Board, or the State Board of Equalization.

(1) Until the debts covered by this section are satisfied, the qualifying person and any other personnel of record named on a license that has been suspended under this section shall be prohibited from serving in any capacity that is subject to licensure under this chapter, but shall be permitted to act in the capacity of a nonsupervising bona fide employee.

(2) The license of any other renewable licensed entity with any of the same personnel of record that have been assessed an outstanding liability covered by this section shall be suspended until the debt has been satisfied or until the same personnel of record disassociate themselves from the renewable licensed entity.

(b) The refusal to issue a license or the suspension of a license as provided by this section shall be applicable only if the registrar has mailed a notice preliminary to the refusal or suspension that indicates that the license will be refused or suspended by a date certain. This preliminary notice shall be mailed to the licensee at least 60 days before the date certain.

(c) In the case of outstanding final liabilities assessed by the Franchise Tax Board, this section shall be operative within 60 days after the Contractors State License Board has provided the Franchise Tax Board with the information required under Section 30, relating to licensing information that includes the federal employer identification number, individual taxpayer identification number, or social security number.

(d) All versions of the application for a contractor's license shall include, as part of the application, an authorization by the applicant, in the form and manner mutually agreeable to the Franchise Tax Board and the board, for the Franchise Tax Board to disclose the tax information that is required for the registrar to administer this section. The Franchise Tax Board may from time to time audit these authorizations.

(e) In the case of outstanding final liabilities assessed by the State Board of Equalization, this section shall not apply to any outstanding final liability if the licensee has entered into an installment payment agreement for that liability with the State Board of Equalization and is in compliance with the terms of that agreement.

SEC. 73. Section 7159 of the Business and Professions Code is amended to read:

7159. (a) (1) This section identifies the projects for which a home improvement contract is required, outlines the contract requirements, and lists the items that shall be included in the contract, or may be provided as an attachment.

(2) This section does not apply to service and repair contracts that are subject to Section 7159.10, if the contract for the applicable services complies with Sections 7159.10 to 7159.14, inclusive.

(3) This section does not apply to the sale, installation, and servicing of a fire alarm sold in conjunction with an alarm system, as defined in Section 7590.1, if all costs attributable to making the fire alarm system operable, including sale and installation costs, do not exceed five hundred dollars (\$500), and the licensee complies with the requirements set forth in Section 7159.9.

(4) This section does not apply to any costs associated with monitoring a burglar or fire alarm system.

(5) Failure by the licensee, their agent or salesperson, or by a person subject to be licensed under this chapter, to provide the specified information, notices, and disclosures in the contract, or to otherwise fail to comply with any provision of this section, is cause for discipline.

(b) For purposes of this section, "home improvement contract" means an agreement, whether oral or written, or contained in one or more documents, between a contractor and an owner or between a contractor and a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, if the work is to be performed in, to, or upon the residence or dwelling unit of the tenant, for the performance of a home improvement, as defined in Section 7151, and includes all labor, services, and materials to be furnished and performed thereunder, if the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars (\$500). "Home improvement contract" also means an agreement, whether oral or written, or contained in one or more documents, between a salesperson, whether or not they are a home improvement salesperson, and an owner or a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, which provides for the sale, installation, or furnishing of home improvement goods or services.

(c) In addition to the specific requirements listed under this section, every home improvement contract and any person subject to licensure under this chapter or their agent or salesperson shall comply with all of the following:

(1) The writing shall be legible.

(2) Any printed form shall be readable. Unless a larger typeface is specified in this article, text in any printed form shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(3) (A) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by both the contractor and the buyer. The buyer's receipt of the copy of the contract initiates the buyer's rights to cancel the contract pursuant to Sections 1689.5 to 1689.14, inclusive, of the Civil Code.

(B) The contract shall contain on the first page, in a typeface no smaller than that generally used in the body of the document, both of the following:

(i) The date the buyer signed the contract.

(ii) The name and address of the contractor to which the applicable "Notice of Cancellation" is to be mailed, immediately preceded by a statement advising the buyer that the "Notice of Cancellation" may be sent to the contractor at the address noted on the contract.

(4) The contract shall include a statement that, upon satisfactory payment being made for any portion of the work performed, the contractor, prior to any further payment being made, shall furnish to the person contracting for the home improvement or swimming pool work a full and unconditional release from any potential lien claimant claim or mechanics lien authorized pursuant to Sections 8400 and 8404 of the Civil Code for that portion of the work for which payment has been made.

(5) A change-order form for changes or extra work shall be incorporated into the contract and shall become part of the contract only if it is in writing and signed by the parties prior to the commencement of any work covered by a change order.

(6) The contract shall contain, in close proximity to the signatures of the owner and contractor, a notice stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

(7) If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

(8) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

(d) A home improvement contract and any changes to the contract shall be in writing and signed by the parties to the contract prior to the commencement of work covered by the contract or an applicable change order and, except as provided in paragraph (8) of subdivision (a) of Section 7159.5, shall include or comply with all of the following:

(1) The name, business address, and license number of the contractor.

(2) If applicable, the name and registration number of the home improvement salesperson that solicited or negotiated the contract.

(3) The following heading on the contract form that identifies the type of contract in at least 10-point boldface type: "Home Improvement."

(4) The following statement in at least 12-point boldface type: "You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started."

(5) The heading: "Contract Price," followed by the amount of the contract in dollars and cents.

(6) If a finance charge will be charged, the heading: "Finance Charge," followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(7) The heading: "Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed," followed by a description of the project and a description of the significant materials to be used and equipment to be installed. For swimming pools, the project description required under this paragraph also shall include a plan and scale drawing showing the shape, size, dimensions, and the construction and equipment specifications.

(8) If a downpayment will be charged, the details of the downpayment shall be expressed in substantially the following form, and shall include the text of the notice as specified in subparagraph (C):

(A) The heading: "Downpayment."

(B) A space where the actual downpayment appears.

(C) The following statement in at least 12-point boldface type:

"THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

(9) If payments, other than the downpayment, are to be made before the project is completed, the details of these payments, known as progress payments, shall be expressed in substantially the following form, and shall include the text of the statement as specified in subparagraph (C):

(A) A schedule of progress payments shall be preceded by the heading: "Schedule of Progress Payments."

(B) Each progress payment shall be stated in dollars and cents and specifically reference the amount of work or services to be performed and materials and equipment to be supplied.

(C) The section of the contract reserved for the progress payments shall include the following statement in at least 12-point boldface type:

"The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT."

(10) The contract shall address the commencement of work to be performed in substantially the following form:

(A) A statement that describes what constitutes substantial commencement of work under the contract.

(B) The heading: "Approximate Start Date."

(C) The approximate date on which work will be commenced.

(11) The estimated completion date of the work shall be referenced in the contract in substantially the following form:

(A) The heading: "Approximate Completion Date."

(B) The approximate date of completion.

(12) If applicable, the heading: "List of Documents to be Incorporated into the Contract," followed by the list of documents incorporated into the contract.

(13) The heading: "Note About Extra Work and Change Orders," followed by the following statement:

"Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments."

(e) Except as provided in paragraph (8) of subdivision (a) of Section 7159.5, all of the following notices shall be provided to the owner as part of the contract form as specified or, if otherwise authorized under this subdivision, may be provided as an attachment to the contract:

(1) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the following statement: "A notice concerning commercial general liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)," followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(B) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call (the insurance company) at _____ to check the contractor's insurance coverage."

(C) "(The name on the license or 'This contractor') is self-insured."

(D) "(The name on the license or 'This contractor') is a limited liability company that carries liability insurance or maintains other security as required by law. You may call (the insurance company or trust company or bank) at _____ to check on the contractor's insurance coverage or security."

(2) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement: "A notice concerning workers' compensation insurance is attached to this contract." The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is correct:

(A) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(B) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(3) A notice that provides the buyer with the following information about the performance of extra or change-order work:

(A) A statement that the buyer may not require a contractor to perform extra or change-order work without providing written authorization prior to the commencement of work covered by the new change order.

(B) A statement informing the buyer that extra work or a change order is not enforceable against a buyer unless the change order also identifies all of the following in writing prior to the commencement of work covered by the new change order:

(i) The scope of work encompassed by the order.

(ii) The amount to be added or subtracted from the contract.

(iii) The effect the order will make in the progress payments or the completion date.

(C) A statement informing the buyer that the contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

(4) A notice with the heading "Mechanics Lien Warning" written as follows:

"MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics lien on your property. A mechanics lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a 'Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if they are not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's internet website at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

(5) The following notice shall be provided in at least 12-point typeface:

"Information about the Contractors State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions, and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's internet website at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

(6) (A) The notice set forth in subparagraph (B) and entitled "Three-Day Right to Cancel," shall be provided to the buyer unless the contract is:

(i) Negotiated at the contractor's place of business.

(ii) Subject to the "Seven-Day Right to Cancel," as set forth in paragraph (7).

(iii) Subject to licensure under the Alarm Company Act (Chapter 11.6 (commencing with Section 7590)), provided the alarm company licensee complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(B) "Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by emailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(C) The "Three-Day Right to Cancel" notice required by this paragraph shall comply with all of the following:

(i) The text of the notice is at least 12-point boldface type.

(ii) The notice is in immediate proximity to a space reserved for the owner's signature.

(iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.

(iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.

(v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with the following statement: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Three-Day Right to Cancel.'"

(vi) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which also shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

"You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract."

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to ,

/name of seller/

at

/address of seller's place of business/

not later than midnight of .

(Date)

I hereby cancel this transaction.

(Date)

(Buyer's signature)

(7) (A) The following notice entitled "Seven-Day Right to Cancel" shall be provided to the buyer for any contract that is written for the repair or restoration of residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

"Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven business days. You may cancel by emailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the seventh business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the

goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(B) The "Seven-Day Right to Cancel" notice required by this subdivision shall comply with all of the following:

(i) The text of the notice is at least 12-point boldface type.

(ii) The notice is in immediate proximity to a space reserved for the owner's signature.

(iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.

(iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.

(v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with the following statement: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Seven-Day Right to Cancel.'"

(vi) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which shall also be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

"You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract."

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to ,

/name of seller/

at

/address of seller's place of business/

not later than midnight of .

(Date)

I hereby cancel this transaction.

(Date)

(Buyer's signature)

SEC. 73.5. Section 7159 of the Business and Professions Code is amended to read:

7159. (a) (1) This section identifies the projects for which a home improvement contract is required, outlines the contract requirements, and lists the items that shall be included in the contract, or may be provided as an attachment.

(2) This section does not apply to service and repair contracts that are subject to Section 7159.10, if the contract for the applicable services complies with Sections 7159.10 to 7159.14, inclusive.

(3) This section does not apply to the sale, installation, and servicing of a fire alarm sold in conjunction with an alarm system, as defined in Section 7590.1, if all costs attributable to making the fire alarm system operable, including sale and installation costs, do not exceed five hundred dollars (\$500), and the licensee complies with the requirements set forth in Section 7159.9.

(4) This section does not apply to any costs associated with monitoring a burglar or fire alarm system.

(5) Failure by the licensee, their agent or salesperson, or by a person subject to be licensed under this chapter, to provide the specified information, notices, and disclosures in the contract, or to otherwise fail to comply with any provision of this section, is cause for discipline.

(b) For purposes of this section, "home improvement contract" means an agreement, whether oral or written, or contained in one or more documents, between a contractor and an owner or between a contractor and a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, if the work is to be performed in, to, or upon the residence or dwelling unit of the tenant, for the performance of a home improvement, as defined in Section 7151, and includes all labor, services, and materials to be furnished and performed thereunder, if the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars (\$500). "Home improvement contract" also means an agreement, whether oral or written, or contained in one or more documents, between a salesperson, whether or not they are a home improvement salesperson, and an owner or a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, which provides for the sale, installation, or furnishing of home improvement goods or services.

(c) In addition to the specific requirements listed under this section, every home improvement contract and any person subject to licensure under this chapter or their agent or salesperson shall comply with all of the following:

(1) The writing shall be legible.

(2) Any printed form shall be readable. Unless a larger typeface is specified in this article, text in any printed form shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(3) (A) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by both the contractor and the buyer. The buyer's receipt of the copy of the contract initiates the buyer's rights to cancel the contract pursuant to Sections 1689.5 to 1689.14, inclusive, of the Civil Code.

(B) The contract shall contain on the first page, in a typeface no smaller than that generally used in the body of the document, both of the following:

(i) The date the buyer signed the contract.

(ii) The name and address of the contractor to which the applicable "Notice of Cancellation" is to be mailed, immediately preceded by a statement advising the buyer that the "Notice of Cancellation" may be sent to the contractor at the address noted on the contract.

(4) The contract shall include a statement that, upon satisfactory payment being made for any portion of the work performed, the contractor, prior to any further payment being made, shall furnish to the person contracting for the home improvement or swimming pool work a full and unconditional release from any potential lien claimant claim or mechanics lien authorized pursuant to Sections 8400 and 8404 of the Civil Code for that portion of the work for which payment has been made.

(5) A change-order form for changes or extra work shall be incorporated into the contract and shall become part of the contract only if it is in writing and signed by the parties prior to the commencement of any work covered by a change order.

(6) The contract shall contain, in close proximity to the signatures of the owner and contractor, a notice stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

(7) If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

(8) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

(d) A home improvement contract and any changes to the contract shall be in writing and signed by the parties to the contract prior to the commencement of work covered by the contract or an applicable change order and, except as provided in paragraph (8) of subdivision (a) of Section 7159.5, shall include or comply with all of the following:

(1) The name, business address, and license number of the contractor.

(2) If applicable, the name and registration number of the home improvement salesperson that solicited or negotiated the contract.

(3) The following heading on the contract form that identifies the type of contract in at least 10-point boldface type: "Home Improvement."

(4) The following statement in at least 12-point boldface type: "You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started."

(5) The heading: "Contract Price," followed by the amount of the contract in dollars and cents.

(6) If a finance charge will be charged, the heading: "Finance Charge," followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(7) The heading: "Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed," followed by a description of the project and a description of the significant materials to be used and equipment to be installed. For swimming pools, the project description required under this paragraph also shall include a plan and scale drawing showing the shape, size, dimensions, and the construction and equipment specifications.

(8) If a downpayment will be charged, the details of the downpayment shall be expressed in substantially the following form, and shall include the text of the notice as specified in subparagraph (C):

(A) The heading: "Downpayment."

(B) A space where the actual downpayment appears.

(C) The following statement in at least 12-point boldface type:

"THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

(9) If payments, other than the downpayment, are to be made before the project is completed, the details of these payments, known as progress payments, shall be expressed in substantially the following form, and shall include the text of the statement as specified in subparagraph (C):

(A) A schedule of progress payments shall be preceded by the heading: "Schedule of Progress Payments."

(B) Each progress payment shall be stated in dollars and cents and specifically reference the amount of work or services to be performed and materials and equipment to be supplied.

(C) The section of the contract reserved for the progress payments shall include the following statement in at least 12-point boldface type:

"The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT."

(10) The contract shall address the commencement of work to be performed in substantially the following form:

(A) A statement that describes what constitutes substantial commencement of work under the contract.

(B) The heading: "Approximate Start Date."

(C) The approximate date on which work will be commenced.

(11) The estimated completion date of the work shall be referenced in the contract in substantially the following form:

(A) The heading: "Approximate Completion Date."

(B) The approximate date of completion.

(12) If applicable, the heading: "List of Documents to be Incorporated into the Contract," followed by the list of documents incorporated into the contract.

(13) The heading: "Note About Extra Work and Change Orders," followed by the following statement:

"Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments."

(e) Except as provided in paragraph (8) of subdivision (a) of Section 7159.5, all of the following notices shall be provided to the owner as part of the contract form as specified or, if otherwise authorized under this subdivision, may be provided as an attachment to the contract:

(1) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the following statement: "A notice concerning commercial general liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)," followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(B) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call (the insurance company) at _____ to check the contractor's insurance coverage."

(C) "(The name on the license or 'This contractor') is self-insured."

(D) "(The name on the license or 'This contractor') is a limited liability company that carries liability insurance or maintains other security as required by law. You may call (the insurance company or trust company or bank) at _____ to check on the contractor's insurance coverage or security."

(2) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement: "A notice concerning workers' compensation insurance is attached to this contract." The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is correct:

(A) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(B) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(3) A notice that provides the buyer with the following information about the performance of extra or change-order work:

(A) A statement that the buyer may not require a contractor to perform extra or change-order work without providing written authorization prior to the commencement of work covered by the new change order.

(B) A statement informing the buyer that extra work or a change order is not enforceable against a buyer unless the change order also identifies all of the following in writing prior to the commencement of work covered by the new change order:

- (i) The scope of work encompassed by the order.
- (ii) The amount to be added or subtracted from the contract.
- (iii) The effect the order will make in the progress payments or the completion date.

(C) A statement informing the buyer that the contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

(4) A notice with the heading "Mechanics Lien Warning" written as follows:

"MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics lien on your property. A mechanics lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a 'Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if they are not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's internet website at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

(5) The following notice shall be provided in at least 12-point typeface:

"Information about the Contractors State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions, and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's internet website at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

(6) (A) The notice set forth in subparagraph (B) and entitled "Three-Day Right to Cancel," or entitled "Five-Day Right to Cancel" for contracts with a senior citizen, shall be provided to the buyer unless the contract is:

(i) Negotiated at the contractor's place of business.

(ii) Subject to the "Seven-Day Right to Cancel," as set forth in paragraph (7).

(iii) Subject to licensure under the Alarm Company Act (Chapter 11.6 (commencing with Section 7590)), provided the alarm company licensee complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(B) (i) "Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by emailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(ii) References to "three" and "third" in the notice set forth in clause (i) shall be changed to "five" and "fifth," respectively, for a buyer who is a senior citizen.

(C) The notice required by this paragraph shall comply with all of the following:

(i) The text of the notice is at least 12-point boldface type.

(ii) The notice is in immediate proximity to a space reserved for the owner's signature.

(iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.

(iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.

(v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with one of the following statements, as applicable:

(I) For a contract with a senior citizen: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Five-Day Right to Cancel.'"

(II) For all other contracts: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Three-Day Right to Cancel.'"

(vi) (I) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which also shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

"You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract."

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to ,

/name of seller/

at

/address of seller's place of business/

not later than midnight of .

(Date)

I hereby cancel this transaction.

(Date)

(Buyer's signature)

(II) The reference to "three" in the statement set forth in subclause (I) shall be changed to "five" for a buyer who is a senior citizen.

(7) (A) The following notice entitled "Seven-Day Right to Cancel" shall be provided to the buyer for any contract that is written for the repair or restoration of residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

"Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven business days. You may cancel by emailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the seventh business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish,

comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(B) The "Seven-Day Right to Cancel" notice required by this subdivision shall comply with all of the following:

(i) The text of the notice is at least 12-point boldface type.

(ii) The notice is in immediate proximity to a space reserved for the owner's signature.

(iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.

(iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.

(v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with the following statement: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Seven-Day Right to Cancel.'"

(vi) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which shall also be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

"You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract."

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to ,

/name of seller/

at

/address of seller's place of business/

not later than midnight of .

(Date)

I hereby cancel this transaction.

(Date)

(Buyer's signature)

(f) The five-day right to cancel added by the act that amended paragraph (6) of subdivision (e) shall apply to contracts entered into on or after January 1, 2021.

SEC. 74. Section 7170 of the Business and Professions Code is amended to read:

7170. (a) The Contractors State License Board shall receive and review complaints and consumer questions regarding solar energy systems companies and solar contractors. The board shall also receive complaints received from state agencies regarding solar energy systems companies and solar contractors.

(b) Beginning on July 1, 2019, the board annually shall compile a report documenting consumer complaints relating to solar contractors. The report shall be made available publicly on the board's and the Public Utilities Commission's internet websites. The report shall contain all of the following:

- (1) The number and types of complaints.
- (2) The ZIP Code where the consumer complaint originated.
- (3) The disposition of all complaints received against a solar contractor.

(c) For purposes of this section, "solar energy system" means a solar energy device to be installed on a residential building that has the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity, that produces at least one kW, and not more than five MW, alternating current rated peak electricity, and that meets or exceeds the eligibility criteria established pursuant to Section 25782 of the Public Resources Code.

SEC. 75. Section 7303 of the Business and Professions Code is amended to read:

7303. (a) Notwithstanding Article 8 (commencing with Section 9148) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code, there is in the Department of Consumer Affairs the State Board of Barbering and Cosmetology in which the administration of this chapter is vested.

(b) The board shall consist of nine members. Five members shall be public members, and four members shall represent the professions. The Governor shall appoint three of the public members and the four professional members. The Senate Committee on Rules and the Speaker of the Assembly shall each appoint one public member. Members of the board shall be appointed for a term of four years, except that of the members appointed by the Governor, two of the public members and two of the professions members shall be appointed for an initial term of two years. No board member may serve longer than two consecutive terms.

(c) The board may appoint an executive officer who is exempt from civil service. The executive officer shall exercise the powers and perform the duties delegated by the board and vested in the executive officer by this chapter. The appointment of the executive officer is subject to the approval of the director. In the event that a newly authorized board replaces an existing or previous bureau, the director may appoint an interim executive officer for the board who shall serve temporarily until the new board appoints a permanent executive officer.

(d) The executive officer shall provide examiners, inspectors, and other personnel necessary to carry out the provisions of this chapter.

(e) This section shall remain in effect only until January 1, 2022, and as of that date is repealed. Notwithstanding any other law, the repeal of this section renders the board subject to review by the appropriate policy committees of the Legislature.

SEC. 76. Section 7512.3 of the Business and Professions Code, as amended by Section 1 of Chapter 569 of the Statutes of 2017, is amended to read:

7512.3. (a) As used in this chapter, "person" includes any individual, firm, company, limited liability company, association, organization, partnership, and corporation.

(b) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 77. Section 7512.3 of the Business and Professions Code, as amended by Section 2 of Chapter 569 of the Statutes of 2017, is amended to read:

7512.3. (a) As used in this chapter, "person" includes any individual, firm, company, association, organization, partnership, and corporation.

(b) This section shall become operative on January 1, 2024.

SEC. 78. Section 7512.14 of the Business and Professions Code is amended to read:

7512.14. (a) As used in this chapter, "member" means an individual who is a member of a limited liability company as specified in Section 17704.01 of the Corporations Code.

(b) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 79. Section 7512.15 of the Business and Professions Code is amended to read:

7512.15. (a) As used in this chapter, "manager" means an individual designated under an operating agreement of a manager-managed limited liability company who is responsible for performing the management functions for the limited liability company specified in subdivision (c) of Section 17704.07 of the Corporations Code.

(b) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 80. Section 7520.3 of the Business and Professions Code is amended to read:

7520.3. (a) As a condition of the issuance, reinstatement, reactivation, or continued valid use of a license under this chapter, a limited liability company shall, in accordance with this section, maintain a policy or policies of insurance against liability imposed on or against it by law for damages arising out of claims based upon acts, errors, or omissions arising out of the private investigator services it provides.

(b) The total aggregate limit of liability under the policy or policies of insurance required under this section shall be as follows:

(1) For a limited liability company licensee with five or fewer persons named as members pursuant to subdivision (i) of Section 7525.1, the aggregate limit shall not be less than one million dollars (\$1,000,000).

(2) For a limited liability company licensee with more than five persons named as members pursuant to subdivision (i) of Section 7525.1, an additional one hundred thousand dollars (\$100,000) of insurance shall be obtained for each person named as members of the licensee except that the maximum amount of insurance is not required to exceed five million dollars (\$5,000,000) in any one designated period, less amounts paid in defending, settling, or discharging claims as set forth under this section.

(c) Prior to the issuance, reinstatement, or reactivation of a limited liability company license as provided under this chapter, the applicant or licensee shall, in the manner prescribed by the bureau, submit the information and documentation required by this section and requested by the bureau, demonstrating compliance with the financial security requirements specified by this section.

(d) For any insurance policy secured by a licensee in satisfaction of this section, a Certificate of Liability Insurance, signed by an authorized agent or employee of the insurer, shall be submitted electronically or otherwise to the bureau. The insurer issuing the certificate shall report to the bureau the following information for any policy required under this section: name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if applicable. The insurer shall list the bureau as the certificate holder for the purposes of receiving notifications related to the policy's status.

(e) (1) If a licensee fails to maintain sufficient insurance as required by this section, or fails to provide proof of the required insurance upon request by the bureau, the license is subject to suspension and shall be automatically suspended pursuant to this subdivision until the date that the licensee provides proof to the bureau of compliance with the insurance coverage requirement.

(2) Prior to an automatic suspension, the bureau shall notify the licensee, in writing, that it has 30 days to provide proof to the bureau of having the required insurance or the license shall be automatically suspended.

(3) If the licensee fails to provide proof of insurance coverage within this period, the bureau may automatically suspend the license.

(f) If the license of a limited liability company is suspended pursuant to subdivision (e), each member of the limited liability company shall be personally liable up to one million dollars (\$1,000,000) each for damages resulting to third parties in connection with the company's performance, during the period of suspension, of any act or contract when a license is required by this chapter.

(g) On and after July 1, 2018, a licensee organized as a limited liability company shall report a paid or pending claim against its liability insurance to the bureau, which shall post a notice of the claim on the Department of Consumer Affairs BreZE License Verification Internet Web page.

(h) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 81. Section 7525.1 of the Business and Professions Code, as amended by Section 11 of Chapter 569 of the Statutes of 2017, is amended to read:

7525.1. An application shall be verified and shall include:

(a) The full name and business address of the applicant.

(b) The name under which the applicant intends to do business.

(c) A statement as to the general nature of the business in which the applicant intends to engage.

(d) A verified statement of their experience qualifications.

(e) (1) If the applicant is an individual, a qualified manager, a partner of a partnership, an officer of a corporation designated in subdivision (h), or a member, officer, or manager of a limited liability company designated in subdivision (i), one personal identification form provided by the bureau upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, on a form approved by the Department of Justice, and a personal description of each person, respectively. The identification form shall include residence addresses and employment history for the previous five years and be signed under penalty of perjury.

(2) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants, excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(f) In addition, if the applicant for a license is an individual, the application shall list all other names known as or used during the past 10 years and shall state that the applicant is to be personally and actively in charge of the business for which the license is sought. If any other qualified manager is to be actively in charge of the business, the application shall be subscribed, verified, and signed by the applicant, under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person under penalty of perjury.

(g) If the applicants for a license are copartners, the application shall state the true names and addresses of all partners and the name of the partner to be actively in charge of the business for which the license is sought and list all other names known as or used during the past 10 years. If a qualified manager other than a partner is to be actively in charge of the business, then the application shall be subscribed, verified, and signed by all of the partners under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person, under penalty of perjury, under penalty of perjury by all of the partners and the qualified manager, or by all of the partners or the qualified manager.

(h) If the applicant for a license is a corporation, the application shall state the true names and complete residence addresses of the chief executive officer, secretary, chief financial officer, and any other corporate officer who will be active in the business to be licensed. The application shall also state the name and address of the designated person to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by a duly authorized officer of the applicant and by the qualified manager thereof, under penalty of perjury.

(i) If the applicant for a license is a limited liability company, the application shall state the true name and complete residence address of each member, manager, and any officer who will be active in the business to be licensed. A certified copy of the articles of organization, as filed by the Secretary of State, shall be supplied to the bureau upon request. In the case of a manager-managed limited liability company, the application shall be

subscribed, verified, and signed by a manager; otherwise, in the case of a member-managed limited liability company, the application shall be subscribed, verified, and signed by a duly authorized member of the applicant and by the qualified manager thereof. The application shall also state whether any of the members, managers, officers, or the qualified manager has ever used an alias.

(j) Any other information, evidence, statements, or documents as may be required by the director.

(k) At the discretion of the applicant, a valid email address.

(l) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 82. Section 7525.1 of the Business and Professions Code, as amended by Section 12 of Chapter 569 of the Statutes of 2017, is amended to read:

7525.1. An application shall be verified and shall include:

(a) The full name and business address of the applicant.

(b) The name under which the applicant intends to do business.

(c) A statement as to the general nature of the business in which the applicant intends to engage.

(d) A verified statement of their experience qualifications.

(e) (1) If the applicant is an individual, a qualified manager, a partner of a partnership, or an officer of a corporation designated in subdivision (h), one personal identification form provided by the bureau upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, on a form approved by the Department of Justice, and a personal description of each person, respectively. The identification form shall include residence addresses and employment history for the previous five years and be signed under penalty of perjury.

(2) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants, excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(f) In addition, if the applicant for a license is an individual, the application shall list all other names known as or used during the past 10 years and shall state that the applicant is to be personally and actively in charge of the business for which the license is sought. If any other qualified manager is to be actively in charge of the business, the application shall be subscribed, verified, and signed by the applicant, under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person under penalty of perjury.

(g) If the applicants for a license are copartners, the application shall state the true names and addresses of all partners and the name of the partner to be actively in charge of the business for which the license is sought and list all other names known as or used during the past 10 years. If a qualified manager other than a partner is to be actively in charge of the business, then the application shall be subscribed, verified, and signed by all of the partners under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed under penalty of perjury by that person, by all of the partners and the qualified manager, or by all of the partners or the qualified manager.

(h) If the applicant for a license is a corporation, the application shall state the true names and complete residence addresses of the chief executive officer, secretary, chief financial officer, and any other corporate officer who will be active in the business to be licensed. The application shall also state the name and address of the designated person to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by a duly authorized officer of the applicant and by the qualified manager thereof, under penalty of perjury.

(i) Any other information, evidence, statements, or documents as may be required by the director.

(j) At the discretion of the applicant, a valid email address.

(k) This section shall become operative on January 1, 2024.

SEC. 83. Section 7529 of the Business and Professions Code, as amended by Section 2 of Chapter 326 of the Statutes of 2019, is amended to read:

7529. (a) (1) Upon the issuance of and with each biennial renewal of a license, a license in the form of an enhanced photo identification card of the size, design, and content as may be determined by the director or the director's designee shall be issued by the bureau to each licensee, as follows:

(A) If the licensee is an individual, the enhanced photo identification card shall be issued to the licensee and to the licensee's qualified manager.

(B) If the licensee is a partnership, the enhanced photo identification card shall be issued to each partner of the partnership licensee active in the business and to the licensee's qualified manager.

(C) If the licensee is a corporation, the enhanced photo identification card shall be issued to each officer active in the business and to the licensee's qualified manager.

(D) If the licensee is a limited liability company, the enhanced photo identification card shall be issued to each member, officer, and manager of the licensee active in the business and to the licensee's qualified manager.

(2) The enhanced photo identification card is evidence that the licensee is licensed pursuant to this chapter. The card shall contain the name of the licensee, license expiration date, and a photograph of the licensee. The enhanced photo identification card shall clearly state that the person is licensed as a private investigator or is the qualified manager or officer of the licensee. The enhanced photo identification card is to be composed of a durable material and may incorporate technologically advanced security features. The bureau may recover its costs in an amount sufficient to reimburse the department's costs for furnishing the enhanced photo identification card. The fee charged shall not exceed the actual direct costs for system development, maintenance, and processing necessary to provide this service. The total amount of costs shall be recovered by including that amount in the fee charged for the initial application of and renewal of licensure. When the position, office, or association with a licensee belonging to a person to whom a card is issued is terminated, the person shall surrender the card to the licensee and, within five days thereafter, the licensee shall mail or deliver the card to the bureau for cancellation. Every person, while engaged in any activity for which licensure is required, shall display the person's valid enhanced photo identification card as provided by regulation.

(b) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 84. Section 7529 of the Business and Professions Code, as amended by Section 3 of Chapter 326 of the Statutes of 2019, is amended to read:

7529. (a) Upon the issuance of and with each biennial renewal of a license, a license in the form of an enhanced photo identification card of the size, design, and content as may be determined by the director or the director's designee shall be issued by the bureau to each licensee, as follows:

(1) If the licensee is an individual, the enhanced photo identification card shall be issued to the licensee and to the licensee's qualified manager.

(2) If the licensee is a partnership, the enhanced photo identification card shall be issued to each partner of the partnership licensee active in the business and to the licensee's qualified manager.

(3) If the licensee is a corporation, the enhanced photo identification card shall be issued to each officer active in the business and to the licensee's qualified manager.

(b) The enhanced photo identification card is evidence that the licensee is licensed pursuant to this chapter. The card shall contain the name of the licensee, license expiration date, and a photograph of the licensee. The enhanced photo identification card shall clearly state that the person is licensed as a private investigator or is the qualified manager or officer of the licensee. The enhanced photo identification card is to be composed of a durable material and may incorporate technologically advanced security features. The bureau may recover its costs in an amount sufficient to reimburse the department's costs for furnishing the enhanced photo identification card. The fee charged shall not exceed the actual direct costs for system development, maintenance, and processing necessary to provide this service. The total amount of costs shall be recovered by including that amount in the fee charged for the initial application of and renewal of licensure. When the position, office, or association with a licensee belonging to a person to whom a card is issued is terminated, the person shall surrender the card to the licensee and, within five days thereafter, the licensee shall mail or deliver the card

to the bureau for cancellation. Every person, while engaged in any activity for which licensure is required, shall display the person's valid enhanced photo identification card as provided by regulation.

(c) This section shall become operative on January 1, 2024.

SEC. 85. Section 7533.5 of the Business and Professions Code, as amended by Section 21 of Chapter 569 of the Statutes of 2017, is amended to read:

7533.5. (a) A licensee shall notify the bureau within 30 days of any change in its corporate officers required to be named pursuant to subdivision (h) of Section 7525.1 or members or managers required to be named pursuant to subdivision (i) of Section 7525.1, and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers, members or managers, and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer, member or manager, or partner of a licensee has committed any of the acts constituting grounds to deny an application for a license or to take disciplinary action against a licensee pursuant to Section 7538 or 7538.5, respectively.

(c) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 86. Section 7533.5 of the Business and Professions Code, as amended by Section 22 of Chapter 569 of the Statutes of 2017, is amended to read:

7533.5. (a) A licensee shall notify the bureau within 30 days of any change in its corporate officers required to be named pursuant to subdivision (h) of Section 7525.1, and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer or partner of a licensee has committed any of the acts constituting grounds to deny an application for a license or to take disciplinary action against a licensee pursuant to Section 7538 or 7538.5, respectively.

(c) This section shall become operative on January 1, 2024.

SEC. 87. Section 7538 of the Business and Professions Code, as amended by Section 25 of Chapter 569 of the Statutes of 2017, is amended to read:

7538. (a) After a hearing the director may deny a license unless the applicant makes a showing satisfactory to the director that the applicant, if an individual, and the applicant's qualified manager have not, or, if the applicant is a person other than an individual, that its qualified manager and each of its officers, partners, members, or managers have not:

(1) Committed any act that, if committed by a licensee, would be a ground for the suspension or revocation of a license under this chapter.

(2) Committed any act constituting dishonesty or fraud.

(3) Committed any act or crime constituting grounds for denial of licensure under Section 480, including illegally using, carrying, or possessing a deadly weapon.

(4) Been refused a license under this chapter or had a license revoked.

(5) Been an officer, partner, qualified manager, member, or manager of any person who has been refused a license under this chapter or whose license has been revoked.

(6) While unlicensed committed, or aided and abetted the commission of, any act for which a license is required by this chapter.

(7) Knowingly made any false statement in their application.

(b) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 88. Section 7538 of the Business and Professions Code, as amended by Section 26 of Chapter 569 of the Statutes of 2017, is amended to read:

7538. (a) After a hearing the director may deny a license unless the applicant makes a showing satisfactory to the director that the applicant, if an individual, and the applicant's qualified manager have not, or, if the applicant is a person other than an individual, that its qualified manager and each of its officers and partners have not:

(1) Committed any act that, if committed by a licensee, would be a ground for the suspension or revocation of a license under this chapter.

(2) Committed any act constituting dishonesty or fraud.

(3) Committed any act or crime constituting grounds for denial of licensure under Section 480, including illegally using, carrying, or possessing a deadly weapon.

(4) Been refused a license under this chapter or had a license revoked.

(5) Been an officer, partner, or qualified manager of any person who has been refused a license under this chapter or whose license has been revoked.

(6) While unlicensed committed, or aided and abetted the commission of, any act for which a license is required by this chapter.

(7) Knowingly made any false statement in their application.

(b) This section shall become operative on January 1, 2024.

SEC. 89. Section 7538.5 of the Business and Professions Code, as amended by Section 27 of Chapter 569 of the Statutes of 2017, is amended to read:

7538.5. (a) The director may refuse to issue any license provided for in this chapter to any of the following:

(1) An individual who has had any license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(2) An individual who, while acting as a partner of a partnership, an officer or director of a corporation, or a member, manager, or officer of a limited liability company, had their license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(3) An individual who, while acting as a partner of the partnership, an officer, director of the corporation, or a member, manager, or officer of a limited liability company meets both of the following conditions:

(A) The individual was a partner of any partnership, an officer or director of any corporation, or a member, manager, or officer of any limited liability company whose license was revoked, is currently under suspension, or was not renewed while under suspension.

(B) While acting as a partner, officer, director, member, or manager, they participated in any of the prohibited acts for which the license was revoked or suspended.

(4) An individual who is serving or has served as the qualified manager for any licensee that has had its license revoked, is currently under suspension, or failed to renew while under suspension.

(b) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 90. Section 7538.5 of the Business and Professions Code, as amended by Section 8 of Chapter 92 of the Statutes of 2018, is amended to read:

7538.5. (a) The director may refuse to issue any license provided for in this chapter to any of the following:

(1) An individual who has had any license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(2) An individual who, while acting as a partner of a partnership, or an officer or director of a corporation, had their license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(3) An individual, who, while acting as a partner of the partnership, or an officer or director of the corporation, meets both of the following conditions:

(A) The individual was a partner of any partnership, or an officer or director of any corporation, whose license was revoked, is currently under suspension, or was not renewed while under suspension.

(B) The individual, while acting as a partner, officer, or director, participated in any of the prohibited acts for which the license was revoked or suspended.

(4) An individual who is serving or has served as the qualified manager for any licensee that has had its license revoked, is currently under suspension, or failed to renew while under suspension.

(b) This section shall become operative on January 1, 2024.

SEC. 91. Section 7539 of the Business and Professions Code, as amended by Section 29 of Chapter 569 of the Statutes of 2017, is amended to read:

7539. (a) Any licensee or officer, director, partner, member, manager, or qualified manager of a licensee may divulge to any law enforcement officer or district attorney, or their representative, any information they may acquire as to any criminal offense, but they shall not divulge to any other person, except as otherwise required by law, any information acquired by them except at the direction of the employer or client for whom the information was obtained.

(b) A licensee or officer, director, partner, member, manager, qualified manager, or employee of a licensee shall not knowingly make any false report to their employer or client for whom information was being obtained.

(c) A written report shall not be submitted to a client except by the licensee, qualified manager, or a person authorized by one or either of them, and the person submitting the report shall exercise diligence in ascertaining whether or not the facts and information in the report are true and correct.

(d) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee shall not use a badge in connection with the official activities of the licensee's business.

(e) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee, shall not use a title, or wear a uniform, or use an insignia, or use an identification card, or make any statement with the intent to give an impression that they are connected in any way with the federal government, a state government, or any political subdivision of a state government.

(f) A licensee, or officer, partner, manager, member, qualified manager, or employee of a licensee shall not use any identification to indicate that they are licensed as a private investigator other than the official identification card issued by the bureau or the business card regularly used by the business. However, a licensee may issue an employer identification card.

(g) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee, shall not enter any private building or portion thereof, except premises commonly accessible to the public, without the consent of the owner or of the person in legal possession thereof.

(h) A licensee shall not permit an employee or agent in their own name to advertise, engage clients, furnish reports or present bills to clients, or in any manner conduct business for which a license is required under this chapter. All business of the licensee shall be conducted in the name of and under the control of the licensee.

(i) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee shall not knowingly and directly solicit employment from any person who has directly sustained bodily injury or from that person's spouse or other family member to obtain authorization on behalf of the injured person as an investigator to investigate the accident or act that resulted in injury or death to that person or damage to the property of that person. Nothing in this subdivision shall prohibit the soliciting of employment from that injured person's attorney, insurance company, self-insured administrator, insurance adjuster, employer, or any other person having an indirect interest in the investigation of the injury. This subdivision shall not apply to any business agent or attorney employed by a labor organization. A licensee, or officer, director, partner, manager, member, or qualified manager of a licensee shall not pay or compensate any of their employees or agents on the basis of a bonus, bounty, or quota system whereby a premium is placed on the number of employer or client rule violations or infractions purportedly discovered as a result of any investigation made by a licensee.

(j) A licensee shall not use a fictitious business name in connection with the official activities of the licensee's business, except as provided by the bureau.

(k) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 92. Section 7539 of the Business and Professions Code, as amended by Section 9 of Chapter 92 of the Statutes of 2018, is amended to read:

7539. (a) A licensee or officer, director, partner, or qualified manager of a licensee may divulge to any law enforcement officer or district attorney, or their representative, any information they may acquire as to any criminal offense, but they shall not divulge to any other person, except as otherwise required by law, any information acquired by them except at the direction of the employer or client for whom the information was obtained.

(b) A licensee or officer, director, partner, qualified manager, or employee of a licensee shall not knowingly make any false report to their employer or client for whom information was being obtained.

(c) A written report shall not be submitted to a client except by the licensee, qualified manager, or a person authorized by one or either of them, and the person submitting the report shall exercise diligence in ascertaining whether or not the facts and information in the report are true and correct.

(d) A licensee, or officer, director, partner, qualified manager, or employee of a licensee shall not use a badge in connection with the official activities of the licensee's business.

(e) A licensee, or officer, director, partner, qualified manager, or employee of a licensee, shall not use a title, or wear a uniform, or use an insignia, or use an identification card, or make any statement with the intent to give an impression that they are connected in any way with the federal government, a state government, or any political subdivision of a state government.

(f) A licensee, or officer, partner, qualified manager, or employee of a licensee shall not use any identification to indicate that they are licensed as a private investigator other than the official identification card issued by the bureau or the business card regularly used by the business. However, a licensee may issue an employer identification card.

(g) A licensee, or officer, director, partner, qualified manager, or employee of a licensee, shall not enter any private building or portion thereof, except premises commonly accessible to the public, without the consent of the owner or of the person in legal possession thereof.

(h) A licensee shall not permit an employee or agent in their own name to advertise, engage clients, furnish reports or present bills to clients, or in any manner conduct business for which a license is required under this chapter. All business of the licensee shall be conducted in the name of and under the control of the licensee.

(i) A licensee, or officer, director, partner, qualified manager, or employee of a licensee, shall not knowingly and directly solicit employment from any person who has directly sustained bodily injury or from that person's spouse or other family member to obtain authorization on behalf of the injured person as an investigator to investigate the accident or act that resulted in injury or death to that person or damage to the property of that person. This subdivision does not prohibit the soliciting of employment from that injured person's attorney, insurance company, self-insured administrator, insurance adjuster, employer, or any other person having an indirect interest in the investigation of the injury. This subdivision does not apply to any business agent or attorney employed by a labor organization. A licensee, officer, director, partner, or qualified manager of a licensee shall not pay or compensate any of their employees or agents on the basis of a bonus, bounty, or quota system whereby a premium is placed on the number of employer or client rule violations or infractions purportedly discovered as a result of any investigation made by a licensee.

(j) A licensee shall not use a fictitious business name in connection with the official activities of the licensee's business, except as provided by the bureau.

(k) This section shall become operative on January 1, 2024.

SEC. 93. Section 8516 of the Business and Professions Code is amended to read:

8516. (a) This section, and Section 8519, apply only to wood destroying pests or organisms.

(b) A registered company or licensee shall not commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the absence or presence of wood destroying pests or organisms until an inspection has been made by a licensed Branch 3 field representative or operator employed by a registered company, except as provided in Section 8519.5. The address of each property inspected or upon which work is completed shall be reported on a form prescribed by the board and shall be filed with the board no later than 10 business days after the commencement of an inspection or upon completed work.

Every property inspected pursuant to this subdivision or Section 8518 shall be assessed a filing fee pursuant to Section 8674.

Failure of a registered company to report and file with the board the address of any property inspected or work completed pursuant to Section 8518 or this section is grounds for disciplinary action and shall subject the registered company to a fine of not more than two thousand five hundred dollars (\$2,500). The address of an inspection report prepared for use by an attorney for litigation purposes shall not be required to be reported to the board and shall not be assessed a filing fee.

A written inspection report conforming to this section and a form approved by the board shall be prepared and delivered to the person requesting the inspection and the property owner, or to the property owner's designated agent, within 10 business days from the start of the inspection, except that an inspection report prepared for use by an attorney for litigation purposes is not required to be reported to the board or the property owner. An inspection report may be a complete, limited, supplemental, or reinspection report, as defined by Section 1993 of Title 16 of the California Code of Regulations. The report shall be delivered before work is commenced on any property. The registered company shall retain for three years all inspection reports, field notes, and activity forms.

Reports shall be made available for inspection and reproduction to the executive officer of the board or their duly authorized representative during business hours. All inspection reports or copies thereof shall be submitted to the board upon demand within two business days. The following shall be set forth in the report:

(1) The start date of the inspection and the name of the licensed field representative or operator making the inspection.

(2) The name and address of the person or firm ordering the report.

(3) The name and address of the property owner and any person who is a party in interest.

(4) The address or location of the property.

(5) A general description of the building or premises inspected.

(6) A foundation diagram or sketch of the structure or structures or portions of the structure or structures inspected, including the approximate location of any infested or infected areas evident, and the parts of the structure where conditions that would ordinarily subject those parts to attack by wood destroying pests or organisms exist. Reporting of the infested or infected wood members, or parts of the structure identified, shall be listed in the inspection report to clearly identify them, as is typical in standard construction components, including, but not limited to, siding, studs, rafters, floor joists, fascia, subfloor, sheathing, and trim boards.

(7) Information regarding the substructure, foundation walls and footings, porches, patios and steps, air vents, abutments, attic spaces, roof framing that includes the eaves, rafters, fascias, exposed timbers, exposed sheathing, ceiling joists, and attic walls, or other parts subject to attack by wood destroying pests or organisms. Conditions usually deemed likely to lead to infestation or infection, such as earth-wood contacts, excessive cellulose debris, faulty grade levels, excessive moisture conditions, evidence of roof leaks, and insufficient ventilation are to be reported.

(8) One of the following statements, as appropriate, printed in bold type:

(A) The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractors State License Board.

(B) The exterior surface of the roof was inspected to determine whether or not wood destroying pests or organisms are present.

(9) Indication or description of any areas that are inaccessible or not inspected with recommendation for further inspection if practicable. If, after the report has been made in compliance with this section, authority is given

later to open inaccessible areas, a supplemental report on conditions in these areas shall be made.

(10) Recommendations for corrective measures.

(11) Information regarding the pesticide or pesticides to be used for their control or prevention as set forth in subdivision (a) of Section 8538.

(12) The inspection report shall clearly disclose that if requested by the person ordering the original report, a reinspection of the structure will be performed if an estimate or bid for making repairs was given with the original inspection report, or thereafter.

An estimate or bid shall be given separately allocating the costs to perform each and every recommendation for corrective measures as specified in subdivision (c) with the original inspection report if the person who ordered the original inspection report so requests, and if the registered company is regularly in the business of performing each corrective measure.

If no estimate or bid was given with the original inspection report, or thereafter, then the registered company shall not be required to perform a reinspection.

A reinspection shall be an inspection of those items previously listed on an original report to determine if the recommendations have been completed. Each reinspection shall be reported on an original inspection report form and shall be labeled "Reinspection." Each reinspection shall also identify the original report by date.

After four months from an original inspection, all inspections shall be original inspections and not reinspections.

Any reinspection shall be performed for not more than the price of the registered company's original inspection price and shall be completed within 10 business days after a reinspection has been ordered.

(13) The inspection report shall contain the following statement, printed in boldface type:

"NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company. You have a right to seek a second opinion from another company."

(c) At the time a report is ordered, the registered company or licensee shall inform the person or entity ordering the report, that a separate report is available pursuant to this subdivision. If a separate report is requested at the time the inspection report is ordered, the registered company or licensee shall separately identify on the report each recommendation for corrective measures as follows:

(1) The infestation or infection that is evident.

(2) The conditions that are present that are deemed likely to lead to infestation or infection.

If a registered company or licensee fails to inform as required by this subdivision and a dispute arises, or if any other dispute arises as to whether this subdivision has been complied with, a separate report shall be provided within 24 hours of the request but, in no event, later than the next business day, and at no additional cost.

(d) When a corrective condition is identified, either as paragraph (1) or (2) of subdivision (c), and the property owner or the property owner's designated agent chooses not to correct those conditions, the registered company or licensee shall not be liable for damages resulting from a failure to correct those conditions or subject to any disciplinary action by the board. Nothing in this subdivision, however, shall relieve a registered company or a licensee of any liability resulting from negligence, fraud, dishonest dealing, other violations pursuant to this chapter, or contractual obligations between the registered company or licensee and the responsible parties.

(e) The inspection report form prescribed by the board shall separately identify the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection. If a separate form is requested, the form shall explain the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection and the difference between those conditions. In no event, however, shall conditions deemed likely to lead to infestation or infection be characterized as actual "defects" or as actual "active" infestations or infections or in need of correction as a precondition to issuing a certification pursuant to Section 8519.

(f) The report and any contract entered into shall also state specifically when any guarantee for the work is made, and if so, the specific terms of the guarantee and the period of time for which the guarantee shall be in effect. If a guarantee extends beyond three years, the registered company shall maintain all original inspection reports, field notes, activity forms, and notices of completion for the duration of the guarantee period and for one year after the guarantee expires.

(g) For purposes of this section, "control service agreement" means an agreement, including extended warranties, to have a licensee conduct over a period of time regular inspections and other activities related to the control or eradication of wood destroying pests and organisms. Under a control service agreement a registered company shall refer to the original report and contract in a manner as to identify them clearly, and the report shall be assumed to be a true report of conditions as originally issued, except it may be modified after a control service inspection. A registered company is not required to issue a report as outlined in paragraphs (1) to (11), inclusive, of subdivision (b) after each control service inspection. If after control service inspection, no modification of the original report is made in writing, then it will be assumed that conditions are as originally reported. A control service contract shall state specifically the particular wood destroying pests or organisms and the portions of the buildings or structures covered by the contract.

(h) A registered company or licensee may enter into and maintain a control service agreement provided the following requirements are met:

(1) The control service agreement shall be in writing, signed by both parties, and shall specifically include the following:

(A) The wood destroying pests and organisms covered by the control service agreement.

(B) Any wood destroying pest or organism that is not covered must be specifically listed.

(C) The type and manner of treatment to be used to correct the infestations or infections.

(D) The structures or buildings, or portions thereof, covered by the agreement, including a statement specifying whether the coverage for purposes of periodic inspections is limited or full. Any exclusions from those described in the original report must be specifically listed.

(E) A reference to the original inspection report.

(F) The frequency of the inspections to be provided, the fee to be charged for each renewal, and the duration of the agreement.

(G) Whether the fee includes structural repairs.

(H) If the services provided are guaranteed, and, if so, the terms of the guarantee.

(I) A statement that all corrections of infestations or infections covered by the control service agreement shall be completed within six months of discovery, unless otherwise agreed to in writing by both parties.

(2) The original inspection report, the control service agreement, and completion report shall be maintained for three years after the cancellation of the control service agreement.

(3) Inspections made pursuant to a control service agreement shall be conducted by a Branch 3 licensee. Section 8506.1 does not modify this provision.

(4) A full inspection of the property covered by the control service agreement shall be conducted and a report filed pursuant to subdivision (b) at least once every three years from the date that the agreement was entered into, unless the consumer cancels the contract within three years from the date the agreement was entered into.

(5) Under a control service agreement, a written report shall be required for the correction of any infestation or infection unless all of the following conditions are met:

(A) The infestation or infection has been previously reported.

(B) The infestation or infection is covered by the control service agreement.

(C) There is no additional charge for correcting the infestation or infection.

(D) Correction of the infestation or infection takes place within 45 days of its discovery.

(E) Correction of the infestation or infection does not include fumigation.

(6) All notice requirements pursuant to Section 8538 shall apply to all pesticide treatments conducted under control service agreements.

(i) All work recommended by a registered company, where an estimate or bid for making repairs was given with the original inspection report, or thereafter, shall be recorded on this report or a separate work agreement and shall specify a price for each recommendation. This information shall be provided to the person requesting the inspection, and shall be retained by the registered company with the inspection report copy for three years.

SEC. 94. Section 10050 of the Business and Professions Code is amended to read:

10050. (a) (1) There is in the Business, Consumer Services, and Housing Agency a Department of Real Estate, the chief officer of which department is named the Real Estate Commissioner.

(2) Notwithstanding any other law, the powers and duties of the department, as set forth in this part and Chapter 1 (commencing with Section 11000) of Part 2, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this part and that chapter were scheduled to be repealed as of January 1, 2022.

(b) It shall be the principal responsibility of the commissioner to enforce all laws in this part and Chapter 1 (commencing with Section 11000) of Part 2 in a manner that achieves the maximum protection for the buyers of real property and those persons dealing with real estate licensees.

(c) Wherever the term "commissioner" is used in this division, it means the Real Estate Commissioner.

(d) This section shall become operative on July 1, 2018.

SEC. 95. Section 11301 of the Business and Professions Code is amended to read:

11301. (a) (1) There is hereby created within the Department of Consumer Affairs a Bureau of Real Estate Appraisers to administer and enforce this part.

(2) Notwithstanding any other law, the powers and duties of the bureau, as set forth in this part, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this part were scheduled to be repealed as of January 1, 2022.

(b) Whenever the term "Office of Real Estate Appraisers" appears in any other law, it means the "Bureau of Real Estate Appraisers."

SEC. 96. Section 16100 of the Business and Professions Code is amended to read:

16100. (a) The board of supervisors may in the exercise of its police powers, and for the purpose of regulation, as herein provided, and not otherwise, license any kind of business not prohibited by law, transacted and carried on within the limits of its jurisdiction, including all shows, exhibitions, and lawful games, and may fix the rate of the license fee and provide for its collection by suit or otherwise.

(b) No license fee levied pursuant to subdivision (a) that is measured by the licensee's income or gross receipts, whether levied by a charter or general law county, shall apply to any nonprofit organization that is exempted from taxes by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, or to any minister, clergyman, Christian Science practitioner, rabbi, or priest of any religious organization that has been granted an exemption from federal income tax by the United States Commissioner of Internal Revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code or a successor to that section.

(c) Before a county issues a business license to a person to conduct business as a contractor, as defined by Section 7026, the county shall verify that the person is licensed by the Contractors State License Board.

SEC. 97. Section 19164 of the Business and Professions Code is amended to read:

19164. The bureau may, by regulation, establish insulation material standards governing the quality of all insulation material sold or installed within this state, including those properties that affect the safety and thermal

performance of insulation material during application and in the use intended. The standards shall specify the initial performance of the insulation material and the performance expected during the design life of the insulation material. Until the bureau has adopted these regulations, the regulations of the State Energy Resources Conservation and Development Commission in effect on the effective date of this section relating to those standards shall remain in full force and effect. However, wherever those regulations specify that the commission shall perform an act, the bureau instead shall perform the act.

Prior to establishing the standards and procedures required by this chapter, the bureau shall conduct at least two public hearings, and shall invite the State Energy Resources Conservation and Development Commission, the State Fire Marshal, manufacturers, distributors, and licensed installers of insulation materials, and appropriate members of the public to participate in the hearings. Immediately upon adoption of the standards and procedures, the bureau shall provide a copy of the standards to the State Energy Resources Conservation and Development Commission, and the Contractors State License Board. Within 30 days after receipt of the bureau's standards, the Contractors State License Board shall notify all state licensed contractors who install insulation of the standards.

Insulation standards adopted by the bureau, pursuant to this section, and by the State Energy Resources Conservation and Development Commission, pursuant to Section 25402 of the Public Resources Code, which are building standards, as defined in Section 25488.5 of the Public Resources Code, shall be submitted to the California Building Standards Commission for approval pursuant to, and are governed by, the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code). The building standards adopted by the bureau and published in the California Building Standards Code shall comply with, and be enforced as provided in, this section.

SEC. 98. Section 1670.8.5 is added to the Civil Code, to read:

1670.8.5. (a) A contract or proposed contract for the provision of a consumer service by a licensee regulated by a licensing board shall not include a provision limiting the consumer's ability to file a complaint with that board or to participate in the board's investigation into the licensee.

(b) Any waiver of the provisions of this section is contrary to public policy, and is void and unenforceable.

(c) For purposes of this section, the following terms apply:

(1) "Consumer service" means any service that is obtained for use primarily for personal, family, or household purposes.

(2) "Licensing board" means any entity described in Section 101 of the Business and Professions Code, the State Bar of California, the Department of Real Estate, or any other state agency that issues a license, certificate, or registration authorizing a person to engage in a business or profession.

(d) Violation of this section by a licensee shall constitute unprofessional conduct subject to discipline by the licensee's licensing board.

SEC. 99. Section 94950 of the Education Code is amended to read:

94950. This chapter shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 100. Section 8.5 of this bill incorporates amendments to Section 205 of the Business and Professions Code, as added by Section 3 of Chapter 865 of the Statutes of 2019, proposed by this bill and Assembly Bill 896. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2021, (2) each bill amends Section 205 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 896, in which case Section 205 of the Business and Professions Code, as amended by Assembly Bill 896, shall remain operative only until the operative date of this bill, at which time Section 8.5 of this bill shall become operative, and Section 8 of this bill shall not become operative.

SEC. 101. Section 16.5 of this bill incorporates amendments to Section 2113 of the Business and Professions Code proposed by both this bill and Assembly Bill 2273. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2021, (2) each bill amends Section 2113 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 2273, in which case Section 16 of this bill shall not become operative.

SEC. 102. Section 73.5 of this bill incorporates amendments to Section 7159 of the Business and Professions Code proposed by both this bill and Assembly Bill 2471. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2021, (2) each bill amends Section 7159 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 2471, in which case Section 73 of this bill shall not become operative.

SEC. 103. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



SB-878 Department of Consumer Affairs: license: application: processing timeframes. (2019-2020)

SHARE THIS:



Date Published: 09/24/2020 09:00 PM

Senate Bill No. 878

CHAPTER 131

An act to add Section 139.5 to the Business and Professions Code, relating to professions and vocations.

[Approved by Governor September 24, 2020. Filed with Secretary of State
September 24, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

SB 878, Jones. Department of Consumer Affairs: license: application: processing timeframes.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs.

This bill, beginning July 1, 2021, would require each board within the department that issues licenses to prominently display on its internet website, on at least a quarterly basis, either the current average timeframes for processing initial and renewal license applications or the combined current average timeframe for processing both initial and renewal license applications. The bill would also require each board to prominently display on its internet website, on at least a quarterly basis, either the current average timeframes for processing each license type that the board administers or the combined current average timeframe for processing all license types that the board administers.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 139.5 is added to the Business and Professions Code, to read:

139.5. Beginning July 1, 2021, each board, as defined in Section 22, within the department that issues a license shall do both of the following on at least a quarterly basis:

(a) Prominently display on its internet website one of the following:

- (1) The current average timeframes for processing initial and renewal license applications.
- (2) The combined current average timeframe for processing both initial and renewal license applications.

(b) Prominently display on its internet website one of the following:

- (1) The current average timeframes for processing each license type that the board administers.
- (2) The combined current average timeframe for processing all license types that the board administers.

AGENDA ITEM 12

DISCUSSION AND CONSIDERATION ESTABLISHING A POSITION ON THE FOLLOWING BILLS:

- a. AB 114 (Maienschein) Medi-Cal benefits: rapid Whole Genome Sequencing.
- b. SB 256 (Pan) Medi-Cal: covered benefits.
- c. SB 306 (Pan) Sexually transmitted disease: testing.



AB-114 Medi-Cal benefits: rapid Whole Genome Sequencing. (2021-2022)

SHARE THIS:



Date Published: 12/17/2020 09:00 PM

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

ASSEMBLY BILL

NO. 114

Introduced by Assembly Member Maienschein

December 17, 2020

An act to amend Section 14132 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 114, as introduced, Maienschein. Medi-Cal benefits: rapid Whole Genome Sequencing.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services pursuant to a schedule of benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. The Budget Act of 2018 appropriates \$2,000,000 for the Whole Genome Sequencing Pilot Project, and requires the department to provide a grant to a state nonprofit organization for the execution of a one-time pilot project to investigate the potential clinical and programmatic value of utilizing clinical Whole Genome Sequencing in the Medi-Cal program.

This bill would expand the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing, including individual sequencing, trio sequencing, and ultra-rapid sequencing. The bill would authorize the department to implement this provision by various means without taking regulatory action.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, respiratory care, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, acupuncture to the extent federal matching funds are provided for acupuncture, and services of persons rendering treatment by prayer or healing

by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) (1) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational therapy, are covered subject to utilization controls.

(2) For Medi-Cal fee-for-service beneficiaries, emergency services and care that are necessary for the treatment of an emergency medical condition and medical care directly related to the emergency medical condition. This paragraph shall not be construed to change the obligation of Medi-Cal managed care plans to provide emergency services and care. For the purposes of this paragraph, "emergency services and care" and "emergency medical condition" shall have the same meanings as those terms are defined in Section 1317.1 of the Health and Safety Code.

(c) Nursing facility services, subacute care services, and services provided by any category of intermediate care facility for the developmentally disabled, including podiatry, physician, nurse practitioner services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Respiratory care, physical therapy, occupational therapy, speech therapy, and audiology services for patients in nursing facilities and any category of intermediate care facility for the developmentally disabled are covered subject to utilization controls.

(d) (1) Purchase of prescribed drugs is covered subject to the Medi-Cal List of Contract Drugs and utilization controls.

(2) Purchase of drugs used to treat erectile dysfunction or any off-label uses of those drugs are covered only to the extent that federal financial participation is available.

(3) (A) To the extent required by federal law, the purchase of outpatient prescribed drugs, for which the prescription is executed by a prescriber in written, nonelectronic form on or after April 1, 2008, is covered only when executed on a tamper resistant prescription form. The implementation of this paragraph shall conform to the guidance issued by the federal Centers for Medicare and Medicaid Services but shall not conflict with state statutes on the characteristics of tamper resistant prescriptions for controlled substances, including Section 11162.1 of the Health and Safety Code. The department shall provide providers and beneficiaries with as much flexibility in implementing these rules as allowed by the federal government. The department shall notify and consult with appropriate stakeholders in implementing, interpreting, or making specific this paragraph.

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instructions without taking regulatory action.

(4) (A) (i) For the purposes of this paragraph, nonlegend has the same meaning as defined in subdivision (a) of Section 14105.45.

(ii) Nonlegend acetaminophen-containing products, with the exception of children's acetaminophen-containing products, selected by the department are not covered benefits.

(iii) Nonlegend cough and cold products selected by the department are not covered benefits. This clause shall be implemented on the first day of the first calendar month following 90 days after the effective date of the act that added this clause, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(iv) Beneficiaries under the Early and Periodic Screening, Diagnosis, and Treatment Program shall be exempt from clauses (ii) and (iii).

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instruction without taking regulatory action.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs, and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetist services when rendered in an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered, subject to utilization controls. Nothing in this subdivision shall be construed to require prior authorization for anesthesiologist services provided as part of an outpatient

medical procedure or for portable X-ray services in a nursing facility or any category of intermediate care facility for the developmentally disabled.

(g) Blood and blood derivatives are covered.

(h) (1) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. The utilization controls shall allow emergency and essential diagnostic and restorative dental services and prostheses that are necessary to prevent a significant disability or to replace previously furnished prostheses that are lost or destroyed due to circumstances beyond the beneficiary's control. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions that preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's California Children Services Program.

(2) For persons 21 years of age or older, the services specified in paragraph (1) shall be provided subject to the following conditions:

(A) Periodontal treatment is not a benefit.

(B) Endodontic therapy is not a benefit except for vital pulpotomy.

(C) Laboratory processed crowns are not a benefit.

(D) Removable prosthetics shall be a benefit only for patients as a requirement for employment.

(E) The director may, by regulation, provide for the provision of fixed artificial dentures that are necessary for medical conditions that preclude the use of removable dental prostheses.

(F) Notwithstanding the conditions specified in subparagraphs (A) to (E), inclusive, the department may approve services for persons with special medical disorders subject to utilization review.

(3) Paragraph (2) shall become inoperative July 1, 1995.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls. Utilization controls shall allow replacement of prosthetic and orthotic devices and eyeglasses necessary because of loss or destruction due to circumstances beyond the beneficiary's control. Frame styles for eyeglasses replaced pursuant to this subdivision shall not change more than once every two years, unless the department so directs.

Orthopedic and conventional shoes are covered when provided by a prosthetic and orthotic supplier on the prescription of a physician and when at least one of the shoes will be attached to a prosthesis or brace, subject to utilization controls. Modification of stock conventional or orthopedic shoes when medically indicated, is covered subject to utilization controls. When there is a clearly established medical need that cannot be satisfied by the modification of stock conventional or orthopedic shoes, custom-made orthopedic shoes are covered, subject to utilization controls.

Therapeutic shoes and inserts are covered when provided to beneficiaries with a diagnosis of diabetes, subject to utilization controls, to the extent that federal financial participation is available.

(l) Hearing aids are covered, subject to utilization controls. Utilization controls shall allow replacement of hearing aids necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls. The utilization controls shall allow the replacement of durable medical equipment and medical supplies when necessary because of loss or destruction due to circumstances beyond the beneficiary's control. The utilization controls shall allow authorization of durable medical equipment needed to assist a disabled beneficiary in caring for a child for whom the disabled beneficiary is a parent, stepparent, foster parent, or legal guardian, subject to the availability of federal financial participation. The department shall adopt emergency regulations to define and establish criteria for assistive durable medical equipment in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(n) Family planning services are covered, subject to utilization controls. However, for Medi-Cal managed care plans, any utilization controls shall be subject to Section 1367.25 of the Health and Safety Code.

(o) Inpatient intensive rehabilitation hospital services, including respiratory rehabilitation services, in a general acute care hospital are covered, subject to utilization controls, when either of the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery.

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

(p) (1) Adult day health care is covered in accordance with Chapter 8.7 (commencing with Section 14520).

(2) Commencing 30 days after the effective date of the act that added this paragraph, and notwithstanding the number of days previously approved through a treatment authorization request, adult day health care is covered for a maximum of three days per week.

(3) As provided in accordance with paragraph (4), adult day health care is covered for a maximum of five days per week.

(4) As of the date that the director makes the declaration described in subdivision (g) of Section 14525.1, paragraph (2) shall become inoperative and paragraph (3) shall become operative.

(q) (1) Application of fluoride, or other appropriate fluoride treatment as defined by the department, and other prophylaxis treatment for children 17 years of age and under are covered.

(2) All dental hygiene services provided by a registered dental hygienist, registered dental hygienist in extended functions, and registered dental hygienist in alternative practice licensed pursuant to Sections 1753, 1917, 1918, and 1922 of the Business and Professions Code may be covered as long as they are within the scope of Denti-Cal benefits and they are necessary services provided by a registered dental hygienist, registered dental hygienist in extended functions, or registered dental hygienist in alternative practice.

(r) (1) Paramedic services performed by a city, county, or special district, or pursuant to a contract with a city, county, or special district, and pursuant to a program established under former Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 of the Health and Safety Code by a paramedic certified pursuant to that article, and consisting of defibrillation and those services specified in subdivision (3) of former Section 1482 of the article.

(2) All providers enrolled under this subdivision shall satisfy all applicable statutory and regulatory requirements for becoming a Medi-Cal provider.

(3) This subdivision shall be implemented only to the extent funding is available under Section 14106.6.

(s) In-home medical care services are covered when medically appropriate and subject to utilization controls, for beneficiaries who would otherwise require care for an extended period of time in an acute care hospital at a cost higher than in-home medical care services. The director shall have the authority under this section to contract with organizations qualified to provide in-home medical care services to those persons. These services may be provided to patients placed in shared or congregate living arrangements, if a home setting is not medically appropriate or available to the beneficiary. As used in this section, "in-home medical care service" includes utility bills directly attributable to continuous, 24-hour operation of life-sustaining medical equipment, to the extent that federal financial participation is available.

As used in this subdivision, in-home medical care services include, but are not limited to:

(1) Level-of-care and cost-of-care evaluations.

(2) Expenses, directly attributable to home care activities, for materials.

(3) Physician fees for home visits.

(4) Expenses directly attributable to home care activities for shelter and modification to shelter.

(5) Expenses directly attributable to additional costs of special diets, including tube feeding.

- (6) Medically related personal services.
- (7) Home nursing education.
- (8) Emergency maintenance repair.
- (9) Home health agency personnel benefits that permit coverage of care during periods when regular personnel are on vacation or using sick leave.
- (10) All services needed to maintain antiseptic conditions at stoma or shunt sites on the body.
- (11) Emergency and nonemergency medical transportation.
- (12) Medical supplies.
- (13) Medical equipment, including, but not limited to, scales, gurneys, and equipment racks suitable for paralyzed patients.
- (14) Utility use directly attributable to the requirements of home care activities that are in addition to normal utility use.
- (15) Special drugs and medications.
- (16) Home health agency supervision of visiting staff that is medically necessary, but not included in the home health agency rate.
- (17) Therapy services.
- (18) Household appliances and household utensil costs directly attributable to home care activities.
- (19) Modification of medical equipment for home use.
- (20) Training and orientation for use of life-support systems, including, but not limited to, support of respiratory functions.
- (21) Respiratory care practitioner services as defined in Sections 3702 and 3703 of the Business and Professions Code, subject to prescription by a physician and surgeon.

Beneficiaries receiving in-home medical care services are entitled to the full range of services within the Medi-Cal scope of benefits as defined by this section, subject to medical necessity and applicable utilization control. Services provided pursuant to this subdivision, which are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with a home- and community-based services waiver.

(t) Home- and community-based services approved by the United States Department of Health and Human Services are covered to the extent that federal financial participation is available for those services under the state plan or waivers granted in accordance with Section 1315 or 1396n of Title 42 of the United States Code. The director may seek waivers for any or all home- and community-based services approvable under Section 1315 or 1396n of Title 42 of the United States Code. Coverage for those services shall be limited by the terms, conditions, and duration of the federal waivers.

(u) Comprehensive perinatal services, as provided through an agreement with a health care provider designated in Section 14134.5 and meeting the standards developed by the department pursuant to Section 14134.5, subject to utilization controls.

The department shall seek any federal waivers necessary to implement the provisions of this subdivision. The provisions for which appropriate federal waivers cannot be obtained shall not be implemented. Provisions for which waivers are obtained or for which waivers are not required shall be implemented notwithstanding any inability to obtain federal waivers for the other provisions. No provision of this subdivision shall be implemented unless matching funds from Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code are available.

(v) Early and periodic screening, diagnosis, and treatment for any individual under 21 years of age is covered, consistent with the requirements of Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(w) Hospice service which is Medicare-certified hospice service is covered, subject to utilization controls. Coverage shall be available only to the extent that no additional net program costs are incurred.

(x) When a claim for treatment provided to a beneficiary includes both services that are authorized and reimbursable under this chapter, and services that are not reimbursable under this chapter that portion of the claim for the treatment and services authorized and reimbursable under this chapter shall be payable.

(y) Home- and community-based services approved by the United States Department of Health and Human Services for beneficiaries with a diagnosis of AIDS or ARC, who require intermediate care or a higher level of care.

Services provided pursuant to a waiver obtained from the Secretary of the United States Department of Health and Human Services pursuant to this subdivision, and which are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with the waiver, and subject to the terms, conditions, and duration of the waiver. These services shall be provided to individual beneficiaries in accordance with the client's needs as identified in the plan of care, and subject to medical necessity and applicable utilization control.

The director may under this section contract with organizations qualified to provide, directly or by subcontract, services provided for in this subdivision to eligible beneficiaries. Contracts or agreements entered into pursuant to this division shall not be subject to the Public Contract Code.

(z) Respiratory care when provided in organized health care systems as defined in Section 3701 of the Business and Professions Code, and as an in-home medical service as outlined in subdivision (s).

(aa) (1) There is hereby established in the department, a program to provide comprehensive clinical family planning services to any person who has a family income at or below 200 percent of the federal poverty level, as revised annually, and who is eligible to receive these services pursuant to the waiver identified in paragraph (2). This program shall be known as the Family Planning, Access, Care, and Treatment (Family PACT) Program.

(2) The department shall seek a waiver in accordance with Section 1315 of Title 42 of the United States Code, or a state plan amendment adopted in accordance with Section 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United States Code, which was added to Section 1396a of Title 42 of the United States Code by Section 2303(a)(2) of the federal Patient Protection and Affordable Care Act (PPACA) (Public Law 111-148), for a program to provide comprehensive clinical family planning services as described in paragraph (8). Under the waiver, the program shall be operated only in accordance with the waiver and the statutes and regulations in paragraph (4) and subject to the terms, conditions, and duration of the waiver. Under the state plan amendment, which shall replace the waiver and shall be known as the Family PACT successor state plan amendment, the program shall be operated only in accordance with this subdivision and the statutes and regulations in paragraph (4). The state shall use the standards and processes imposed by the state on January 1, 2007, including the application of an eligibility discount factor to the extent required by the federal Centers for Medicare and Medicaid Services, for purposes of determining eligibility as permitted under Section 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United States Code. To the extent that federal financial participation is available, the program shall continue to conduct education, outreach, enrollment, service delivery, and evaluation services as specified under the waiver. The services shall be provided under the program only if the waiver and, when applicable, the successor state plan amendment are approved by the federal Centers for Medicare and Medicaid Services and only to the extent that federal financial participation is available for the services. Nothing in this section shall prohibit the department from seeking the Family PACT successor state plan amendment during the operation of the waiver.

(3) Solely for the purposes of the waiver or Family PACT successor state plan amendment and notwithstanding any other law, the collection and use of an individual's social security number shall be necessary only to the extent required by federal law.

(4) Sections 14105.3 to 14105.39, inclusive, 14107.11, 24005, and 24013, and any regulations adopted under these statutes shall apply to the program provided for under this subdivision. No other provision of law under the Medi-Cal program or the State-Only Family Planning Program shall apply to the program provided for under this subdivision.

(5) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, without taking regulatory action, the provisions of the waiver after its approval by the federal Centers for Medicare and Medicaid Services and the provisions of this section by means of an all-county letter or similar instruction to providers. Thereafter, the department shall adopt regulations to implement this section and the approved waiver in accordance with the requirements of

Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of the act adding this subdivision, the department shall provide a status report to the Legislature on a semiannual basis until regulations have been adopted.

(6) In the event that the Department of Finance determines that the program operated under the authority of the waiver described in paragraph (2) or the Family PACT successor state plan amendment is no longer cost effective, this subdivision shall become inoperative on the first day of the first month following the issuance of a 30-day notification of that determination in writing by the Department of Finance to the chairperson in each house that considers appropriations, the chairpersons of the committees, and the appropriate subcommittees in each house that considers the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

(7) If this subdivision ceases to be operative, all persons who have received or are eligible to receive comprehensive clinical family planning services pursuant to the waiver described in paragraph (2) shall receive family planning services under the Medi-Cal program pursuant to subdivision (n) if they are otherwise eligible for Medi-Cal with no share of cost, or shall receive comprehensive clinical family planning services under the program established in Division 24 (commencing with Section 24000) either if they are eligible for Medi-Cal with a share of cost or if they are otherwise eligible under Section 24003.

(8) For purposes of this subdivision, "comprehensive clinical family planning services" means the process of establishing objectives for the number and spacing of children, and selecting the means by which those objectives may be achieved. These means include a broad range of acceptable and effective methods and services to limit or enhance fertility, including contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, natural family planning, abstinence methods, and basic, limited fertility management. Comprehensive clinical family planning services include, but are not limited to, preconception counseling, maternal and fetal health counseling, general reproductive health care, including diagnosis and treatment of infections and conditions, including cancer, that threaten reproductive capability, medical family planning treatment and procedures, including supplies and followup, and informational, counseling, and educational services. Comprehensive clinical family planning services shall not include abortion, pregnancy testing solely for the purposes of referral for abortion or services ancillary to abortions, or pregnancy care that is not incident to the diagnosis of pregnancy. Comprehensive clinical family planning services shall be subject to utilization control and include all of the following:

(A) Family planning related services and male and female sterilization. Family planning services for men and women shall include emergency services and services for complications directly related to the contraceptive method, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, and followup, consultation, and referral services, as indicated, which may require treatment authorization requests.

(B) All United States Department of Agriculture, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies that are in keeping with current standards of practice and from which the individual may choose.

(C) Culturally and linguistically appropriate health education and counseling services, including informed consent, that include all of the following:

(i) Psychosocial and medical aspects of contraception.

(ii) Sexuality.

(iii) Fertility.

(iv) Pregnancy.

(v) Parenthood.

(vi) Infertility.

(vii) Reproductive health care.

(viii) Preconception and nutrition counseling.

(ix) Prevention and treatment of sexually transmitted infection.

(x) Use of contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies.

(xi) Possible contraceptive consequences and followup.

(xii) Interpersonal communication and negotiation of relationships to assist individuals and couples in effective contraceptive method use and planning families.

(D) A comprehensive health history, updated at the next periodic visit (between 11 and 24 months after initial examination) that includes a complete obstetrical history, gynecological history, contraceptive history, personal medical history, health risk factors, and family health history, including genetic or hereditary conditions.

(E) A complete physical examination on initial and subsequent periodic visits.

(F) Services, drugs, devices, and supplies deemed by the federal Centers for Medicare and Medicaid Services to be appropriate for inclusion in the program.

(9) In order to maximize the availability of federal financial participation under this subdivision, the director shall have the discretion to implement the Family PACT successor state plan amendment retroactively to July 1, 2010.

(ab) (1) Purchase of prescribed enteral nutrition products is covered, subject to the Medi-Cal list of enteral nutrition products and utilization controls.

(2) Purchase of enteral nutrition products is limited to those products to be administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube. Beneficiaries under the Early and Periodic Screening, Diagnosis, and Treatment Program shall be exempt from this paragraph.

(3) Notwithstanding paragraph (2), the department may deem an enteral nutrition product, not administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube, a benefit for patients with diagnoses, including, but not limited to, malabsorption and inborn errors of metabolism, if the product has been shown to be neither investigational nor experimental when used as part of a therapeutic regimen to prevent serious disability or death.

(4) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement the amendments to this subdivision made by the act that added this paragraph by means of all-county letters, provider bulletins, or similar instructions, without taking regulatory action.

(5) The amendments made to this subdivision by the act that added this paragraph shall be implemented June 1, 2011, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(ac) Diabetic testing supplies are covered when provided by a pharmacy, subject to utilization controls.

(ad) (1) Nonmedical transportation is covered, subject to utilization controls and permissible time and distance standards, for a beneficiary to obtain covered Medi-Cal services.

(2) (A) (i) Nonmedical transportation includes, at a minimum, round trip transportation for a beneficiary to obtain covered Medi-Cal services by passenger car, taxicab, or any other form of public or private conveyance, and mileage reimbursement when conveyance is in a private vehicle arranged by the beneficiary and not through a transportation broker, bus passes, taxi vouchers, or train tickets.

(ii) Nonmedical transportation does not include the transportation of sick, injured, invalid, convalescent, infirm, or otherwise incapacitated beneficiaries by ambulances, litter vans, or wheelchair vans licensed, operated, and equipped in accordance with state and local statutes, ordinances, or regulations.

(B) Nonmedical transportation shall be provided for a beneficiary who can attest in a manner to be specified by the department that other currently available resources have been reasonably exhausted. For beneficiaries enrolled in a managed care plan, nonmedical transportation shall be provided by the beneficiary's managed care plan. For Medi-Cal fee-for-service beneficiaries, the department shall provide nonmedical transportation when those services are not available to the beneficiary under Sections 14132.44 and 14132.47.

(3) Nonmedical transportation shall be provided in a form and manner that is accessible, in terms of physical and geographic accessibility, for the beneficiary and consistent with applicable state and federal disability rights laws.

(4) It is the intent of the Legislature in enacting this subdivision to affirm the requirement under Section 431.53 of Title 42 of the Code of Federal Regulations, in which the department is required to provide necessary

transportation, including nonmedical transportation, for recipients to and from covered services. This subdivision shall not be interpreted to add a new benefit to the Medi-Cal program.

(5) The department shall seek any federal approvals that may be required to implement this subdivision, including, but not limited to, approval of revisions to the existing state plan that the department determines are necessary to implement this subdivision.

(6) This subdivision shall be implemented only to the extent that federal financial participation is available and not otherwise jeopardized, and any necessary federal approvals have been obtained.

(7) Prior to the effective date of any necessary federal approvals, nonmedical transportation was not a Medi-Cal managed care benefit with the exception of when provided as an Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) service.

(8) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, shall implement, interpret, or make specific this subdivision by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until the time regulations are adopted. By July 1, 2018, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing January 1, 2018, and notwithstanding Section 10231.5 of the Government Code, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

~~(9) This subdivision shall not be implemented until July 1, 2017.~~

(ae) (1) Rapid Whole Genome Sequencing, including individual sequencing, trio sequencing for parents and their baby, and ultra-rapid sequencing, is a covered benefit.

(2) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, shall implement, interpret, or make specific this subdivision by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until the time regulations are adopted.



SB-256 Medi-Cal: covered benefits. (2021-2022)

SHARE THIS:  

Date Published: 01/26/2021 09:00 PM

CALIFORNIA LEGISLATURE— 2021-2022 REGULAR SESSION

SENATE BILL

NO. 256

Introduced by Senator Pan

January 26, 2021

An act to amend Sections 14132 and 14301.1 of, and to add Section 14197.8 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 256, as introduced, Pan. Medi-Cal: covered benefits.

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed by, and funded pursuant to, federal Medicaid program provisions. Under existing law, health care services are provided under the Medi-Cal program pursuant to a schedule of benefits, and those benefits are provided to beneficiaries through various health care delivery systems, including fee-for-service and managed care.

Existing law authorizes the department to enter into various types of contracts for the provision of services to beneficiaries, including contracts with a Medi-Cal managed care plan. Existing law requires the department to pay capitations rates to health plans participating in the Medi-Cal managed care program using actuarial methods, and authorizes the department to establish health-plan- and county-specific rates, as specified. Existing law requires the department to utilize health-plan- and county-specific rates for specified Medi-Cal managed care plan contracts, and requires those developed rates to include identified specified information, such as health-plan-specific encounter and claims data.

Existing federal law authorizes specified managed care entities that participate in a state's Medicaid program to cover, for enrollees, services or settings that are in lieu of services and settings otherwise covered under a state plan.

This bill would require those mandatorily developed health-plan- and county-specific rates for specified Medi-Cal managed care plan contracts to include in lieu of services and settings provided by the Medi-Cal managed care plan. The bill would require each Medi-Cal managed care plan to disclose the availability of in lieu of services on its internet website and its beneficiary handbook, and to disclose to the department specified information on in

lieu of services that are plan specific, including the number of people receiving those services. The bill would require the department to publish that information on its internet website.

This bill would, to the extent that federal financial participation is available and any necessary federal approvals have been obtained, expand the schedule of benefits under the Medi-Cal program to include enhanced care management if the service is provided in person to a beneficiary and, at a minimum, the service includes coordinating primary, acute, behavioral, oral, and long-term services and supports for that person. The bill would authorize the department to implement these provisions by various means, including all-county letters or provider bulletins, without taking regulatory action. The bill would require the department to adopt, by July 1, 2024, regulations on these provisions, and, commencing January 1, 2023, to provide a status report to the Legislature on a semiannual basis until regulations are promulgated. The bill would make technical, nonsubstantive changes to provisions on the Medi-Cal schedule of benefits.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, respiratory care, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, acupuncture to the extent federal matching funds are provided for acupuncture, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) (1) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical~~therapy~~ *therapy*, and occupational therapy, are covered subject to utilization controls.

(2) For *a* Medi-Cal fee-for-service ~~beneficiaries~~ *beneficiary*, emergency services and care that are necessary for the treatment of an emergency medical condition and medical care directly related to the emergency medical condition. This paragraph ~~shall~~ *does* not ~~be construed to~~ change the obligation of Medi-Cal managed care plans to provide emergency services and care. For the purposes of this paragraph, "emergency services and care" and "emergency medical condition" ~~shall~~ have the same meanings as those terms are defined in Section 1317.1 of the Health and Safety Code.

(c) Nursing facility services, subacute care services, and services provided by any category of intermediate care facility for the developmentally disabled, including podiatry, physician, nurse practitioner services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Respiratory care, physical therapy, occupational therapy, speech therapy, and audiology services for patients in nursing facilities and any category of intermediate care facility for the developmentally disabled are covered subject to utilization controls.

(d) (1) Purchase of prescribed drugs is covered subject to the Medi-Cal List of Contract Drugs and utilization controls.

(2) Purchase of drugs used to treat erectile dysfunction or any off-label uses of those drugs are covered only to the extent that federal financial participation is available.

(3) (A) To the extent required by federal law, the purchase of outpatient prescribed drugs, for which the prescription is executed by a prescriber in written, nonelectronic form on or after April 1, 2008, is covered only when executed on a tamper resistant prescription form. The implementation of this paragraph shall conform to the guidance issued by the federal Centers for Medicare and Medicaid Services but shall not conflict with state statutes on the characteristics of tamper resistant prescriptions for controlled substances, including Section 11162.1 of the Health and Safety Code. The department shall provide providers and beneficiaries with as much flexibility in implementing these rules as allowed by the federal government. The department shall notify and consult with appropriate stakeholders in implementing, interpreting, or making specific this paragraph.

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instructions without taking regulatory action.

(4) (A) (i) For the purposes of this paragraph, nonlegend has the same meaning as defined in subdivision (a) of Section 14105.45.

(ii) Nonlegend acetaminophen-containing products, with the exception of children's acetaminophen-containing products, selected by the department are not covered benefits.

(iii) Nonlegend cough and cold products selected by the department are not covered benefits. This clause shall be implemented on the first day of the first calendar month following 90 days after the effective date of the act that added this clause, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(iv) ~~Beneficiaries~~ A beneficiary under the Early and Periodic Screening, ~~Diagnosis~~, *Diagnostic*, and Treatment Program shall be exempt from clauses (ii) and (iii).

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instruction without taking regulatory action.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs, and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetist services when rendered in an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered, subject to utilization controls. ~~Nothing in this~~ This subdivision ~~shall be construed to~~ does not require prior authorization for anesthesiologist services provided as part of an outpatient medical procedure or for portable X-ray services in a nursing facility or any category of intermediate care facility for the developmentally disabled.

(g) Blood and blood derivatives are covered.

(h) (1) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. The utilization controls shall allow emergency and essential diagnostic and restorative dental services and prostheses that are necessary to prevent a significant disability or to replace previously furnished prostheses that are lost or destroyed due to circumstances beyond the beneficiary's control. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions that preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's California Children Services ~~Program~~ *program*.

(2) For persons 21 years of age or older, the services specified in paragraph (1) shall be provided subject to the following conditions:

(A) Periodontal treatment is not a benefit.

(B) Endodontic therapy is not a benefit except for vital pulpotomy.

(C) Laboratory processed crowns are not a benefit.

(D) Removable prosthetics shall be a benefit only for patients as a requirement for employment.

(E) The director may, by regulation, provide for the provision of fixed artificial dentures that are necessary for medical conditions that preclude the use of removable dental prostheses.

(F) Notwithstanding the conditions specified in subparagraphs (A) to (E), inclusive, the department may approve services for persons with special medical disorders subject to utilization review.

(3) Paragraph (2) shall become inoperative July 1, 1995.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls. Utilization controls shall allow replacement of prosthetic and orthotic devices and eyeglasses necessary because of loss or

destruction due to circumstances beyond the beneficiary's control. Frame styles for eyeglasses replaced pursuant to this subdivision shall not change more than once every two years, unless the department so directs.

Orthopedic and conventional shoes are covered when provided by a prosthetic and orthotic supplier on the prescription of a physician and when at least one of the shoes will be attached to a prosthesis or brace, subject to utilization controls. Modification of stock conventional or orthopedic shoes when medically ~~indicated~~, *indicated* is ~~covered~~ *covered*, subject to utilization controls. ~~When~~ *If* there is a clearly established medical need that cannot be satisfied by the modification of stock conventional or orthopedic shoes, custom-made orthopedic shoes are covered, subject to utilization controls.

Therapeutic shoes and inserts are covered when provided to ~~beneficiaries~~ *a beneficiary* with a diagnosis of diabetes, subject to utilization controls, to the extent that federal financial participation is available.

(l) Hearing aids are covered, subject to utilization controls. Utilization controls shall allow replacement of hearing aids necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls. The utilization controls shall allow the replacement of durable medical equipment and medical supplies when necessary because of loss or destruction due to circumstances beyond the beneficiary's control. The utilization controls shall allow authorization of durable medical equipment needed to assist a disabled beneficiary in caring for a child for whom the disabled beneficiary is a parent, stepparent, foster parent, or legal guardian, subject to the availability of federal financial participation. The department shall adopt emergency regulations to define and establish criteria for assistive durable medical equipment in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(n) Family planning services are covered, subject to utilization controls. However, for Medi-Cal managed care plans, ~~any~~ utilization controls shall be subject to Section 1367.25 of the Health and Safety Code.

(o) Inpatient intensive rehabilitation hospital services, including respiratory rehabilitation services, in a general acute care hospital are covered, subject to utilization controls, when either of the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery.

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

(p) (1) Adult day health care is covered in accordance with Chapter 8.7 (commencing with Section 14520).

(2) Commencing 30 days after the effective date of the act that added this paragraph, and notwithstanding the number of days previously approved through a treatment authorization request, adult day health care is covered for a maximum of three days per week.

(3) As provided in accordance with paragraph (4), adult day health care is covered for a maximum of five days per week.

(4) As of the date that the director makes the declaration described in subdivision (g) of Section 14525.1, paragraph (2) shall become inoperative and paragraph (3) shall become operative.

(q) (1) Application of fluoride, or other appropriate fluoride treatment as defined by the department, and other prophylaxis treatment for children 17 years of age and under are covered.

(2) All dental hygiene services provided by a registered dental hygienist, registered dental hygienist in extended functions, and registered dental hygienist in alternative practice licensed pursuant to Sections 1753, 1917, 1918, and 1922 of the Business and Professions Code may be covered as long as they are within the scope of Denti-Cal benefits and they are necessary services provided by a registered dental hygienist, registered dental hygienist in extended functions, or registered dental hygienist in alternative practice.

(r) (1) Paramedic services performed by a city, county, or special district, or pursuant to a contract with a city, county, or special district, and pursuant to a program established under former Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 of the Health and Safety Code by a paramedic certified pursuant to

that article, and consisting of defibrillation and those services specified in subdivision (3) of former Section 1482 of the article.

(2) ~~All providers~~ *A provider* enrolled under this subdivision shall satisfy all applicable statutory and regulatory requirements for becoming a Medi-Cal provider.

(3) This subdivision shall be implemented only to the extent funding is available under Section 14106.6.

(s) *(1)* In-home medical care services are covered when medically appropriate and subject to utilization controls, for ~~beneficiaries~~ *a beneficiary* who would otherwise require care for an extended period of time in an acute care hospital at a cost higher than in-home medical care services. The director shall have the authority under this section to contract with organizations qualified to provide in-home medical care services to those persons. These services may be provided to ~~patients~~ *a patient* placed in *a* shared or congregate living ~~arrangements;~~ *arrangement*, if a home setting is not medically appropriate or available to the beneficiary. ~~As used in this section, "in-home medical care service" includes utility bills directly attributable to continuous, 24-hour operation of life-sustaining medical equipment, to the extent that federal financial participation is available.~~

(2) As used in this subdivision, "in-home medical care service" includes utility bills directly attributable to continuous, 24-hour operation of life-sustaining medical equipment, to the extent that federal financial participation is available.

(3) As used in this subdivision, in-home medical care services include, but are not limited to:

~~(1)~~

(A) Level-of-care and cost-of-care evaluations.

~~(2)~~

(B) Expenses, directly attributable to home care activities, for materials.

~~(3)~~

(C) Physician fees for home visits.

~~(4)~~

(D) Expenses directly attributable to home care activities for shelter and modification to shelter.

~~(5)~~

(E) Expenses directly attributable to additional costs of special diets, including tube feeding.

~~(6)~~

(F) Medically related personal services.

~~(7)~~

(G) Home nursing education.

~~(8)~~

(H) Emergency maintenance repair.

~~(9)~~

(I) Home health agency personnel benefits that permit coverage of care during periods when regular personnel are on vacation or using sick leave.

~~(10)~~

(J) All services needed to maintain antiseptic conditions at stoma or shunt sites on the body.

~~(11)~~

(K) Emergency and nonemergency medical transportation.

~~(12)~~

(I) Medical supplies.

~~(+3)~~

(M) Medical equipment, including, but not limited to, scales, gurneys, and equipment racks suitable for paralyzed patients.

~~(+4)~~

(N) Utility use directly attributable to the requirements of home care activities that are in addition to normal utility use.

~~(+5)~~

(O) Special drugs and medications.

~~(+6)~~

(P) Home health agency supervision of visiting staff that is medically necessary, but not included in the home health agency rate.

~~(+7)~~

(Q) Therapy services.

~~(+8)~~

(R) Household appliances and household utensil costs directly attributable to home care activities.

~~(+9)~~

(S) Modification of medical equipment for home use.

~~(+20)~~

(T) Training and orientation for use of life-support systems, including, but not limited to, support of respiratory functions.

~~(+21)~~

(U) Respiratory care practitioner services as defined in Sections 3702 and 3703 of the Business and Professions Code, subject to prescription by a physician and surgeon.

Beneficiaries

(4) A *beneficiary* receiving in-home medical care services ~~are~~ *is* entitled to the full range of services within the Medi-Cal scope of benefits as defined by this section, subject to medical necessity and applicable utilization control. Services provided pursuant to this subdivision, which are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with a home- and community-based services waiver.

(t) Home- and community-based services approved by the United States Department of Health and Human Services are covered to the extent that federal financial participation is available for those services under the state plan or waivers granted in accordance with Section 1315 or 1396n of Title 42 of the United States Code. The director may seek waivers for any or all home- and community-based services approvable under Section 1315 or 1396n of Title 42 of the United States Code. Coverage for those services shall be limited by the terms, conditions, and duration of the federal waivers.

(u) Comprehensive perinatal services, as provided through an agreement with a health care provider designated in Section 14134.5 and meeting the standards developed by the department pursuant to Section 14134.5, subject to utilization controls.

The department shall seek any federal waivers necessary to implement the provisions of this subdivision. The provisions for which appropriate federal waivers cannot be obtained shall not be implemented. Provisions for which waivers are obtained or for which waivers are not required shall be implemented notwithstanding any inability to obtain federal waivers for the other provisions. No provision of this subdivision shall be implemented

unless matching funds from Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code are available.

(v) Early and periodic screening, diagnosis, and treatment for any individual under 21 years of age is covered, consistent with the requirements of Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(w) Hospice service ~~which~~ *that* is Medicare-certified hospice service is covered, subject to utilization controls. Coverage shall be available only to the extent that no additional net program costs are incurred.

(x) When a claim for treatment provided to a beneficiary includes both services that are authorized and reimbursable under this chapter, and services that are not reimbursable under this ~~chapter~~ *chapter*, that portion of the claim for the treatment and services authorized and reimbursable under this chapter shall be payable.

(y) Home- and community-based services approved by the United States Department of Health and Human Services for ~~beneficiaries~~ *a beneficiary* with a diagnosis of ~~AIDS~~ *Acquired Immune Deficiency Syndrome (AIDS)* or ~~ARC~~ *AIDS-related complex* who ~~require~~ *requires* intermediate care or a higher level of care.

Services provided pursuant to a waiver obtained from the Secretary of the United States Department of Health and Human Services pursuant to this subdivision, and ~~which~~ *that* are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with the waiver, and subject to the terms, conditions, and duration of the waiver. These services shall be provided to ~~individual beneficiaries~~ *a beneficiary* in accordance with the client's needs as identified in the plan of care, and subject to medical necessity and applicable utilization control.

The director may under this section contract with organizations qualified to provide, directly or by subcontract, services provided for in this subdivision to *an* eligible ~~beneficiaries~~ *beneficiary*. Contracts or agreements entered into pursuant to this division shall not be subject to the Public Contract Code.

(z) Respiratory care when provided in organized health care systems as defined in Section 3701 of the Business and Professions Code, and as an in-home medical service as outlined in subdivision (s).

(aa) (1) There is hereby established in the department, a program to provide comprehensive clinical family planning services to any person who has a family income at or below 200 percent of the federal poverty level, as revised annually, and who is eligible to receive these services pursuant to the waiver identified in paragraph (2). This program shall be known as the Family Planning, Access, Care, and Treatment (Family PACT) Program.

(2) The department shall seek a waiver in accordance with Section 1315 of Title 42 of the United States Code, or a state plan amendment adopted in accordance with Section 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United States Code, which was added to Section 1396a of Title 42 of the United States Code by Section 2303(a)(2) of the federal Patient Protection and Affordable Care Act (PPACA) (Public Law 111-148), for a program to provide comprehensive clinical family planning services as described in paragraph (8). Under the waiver, the program shall be operated only in accordance with the waiver and the statutes and regulations in paragraph (4) and subject to the terms, conditions, and duration of the waiver. Under the state plan amendment, which shall replace the waiver and shall be known as the Family PACT successor state plan amendment, the program shall be operated only in accordance with this subdivision and the statutes and regulations in paragraph (4). The state shall use the standards and processes imposed by the state on January 1, 2007, including the application of an eligibility discount factor to the extent required by the federal Centers for Medicare and Medicaid Services, for purposes of determining eligibility as permitted under Section 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United States Code. To the extent that federal financial participation is available, the program shall continue to conduct education, outreach, enrollment, service delivery, and evaluation services as specified under the waiver. The services shall be provided under the program only if the waiver and, when applicable, the successor state plan amendment are approved by the federal Centers for Medicare and Medicaid Services and only to the extent that federal financial participation is available for the services. ~~Nothing in this~~ *This* section ~~shall~~ *does not* prohibit the department from seeking the Family PACT successor state plan amendment during the operation of the waiver.

(3) Solely for the purposes of the waiver or Family PACT successor state plan amendment and notwithstanding any other law, the collection and use of an individual's social security number shall be necessary only to the extent required by federal law.

(4) Sections 14105.3 to 14105.39, inclusive, 14107.11, 24005, and 24013, and any regulations adopted under these statutes shall apply to the program provided for under this subdivision. No other ~~provision of~~ law under the

Medi-Cal program or the State-Only Family Planning Program shall apply to the program provided for under this subdivision.

(5) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, without taking regulatory action, the provisions of the waiver after its approval by the federal Centers for Medicare and Medicaid Services and the provisions of this section by means of an all-county letter or similar instruction to providers. Thereafter, the department shall adopt regulations to implement this section and the approved waiver in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of the act adding this subdivision, the department shall provide a status report to the Legislature on a semiannual basis until regulations have been adopted.

(6) ~~In-If the event that the~~ Department of Finance determines that the program operated under the authority of the waiver described in paragraph (2) or the Family PACT successor state plan amendment is no longer cost effective, this subdivision shall become inoperative on the first day of the first month following the issuance of a 30-day notification of that determination in writing by the Department of Finance to the chairperson in each house that considers appropriations, the chairpersons of the committees, and the appropriate subcommittees in each house that considers the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

(7) If this subdivision ceases to be operative, all persons who have received or are eligible to receive comprehensive clinical family planning services pursuant to the waiver described in paragraph (2) shall receive family planning services under the Medi-Cal program pursuant to subdivision (n) if they are otherwise eligible for Medi-Cal with no share of cost, or shall receive comprehensive clinical family planning services under the program established in Division 24 (commencing with Section 24000) either if they are eligible for Medi-Cal with a share of cost or if they are otherwise eligible under Section 24003.

(8) For purposes of this subdivision, "comprehensive clinical family planning services" means the process of establishing objectives for the number and spacing of children, and selecting the means by which those objectives may be achieved. These means include a broad range of acceptable and effective methods and services to limit or enhance fertility, including contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, natural family planning, abstinence methods, and basic, limited fertility management. Comprehensive clinical family planning services include, but are not limited to, preconception counseling, maternal and fetal health counseling, general reproductive health care, including diagnosis and treatment of infections and conditions, including cancer, that threaten reproductive capability, medical family planning treatment and procedures, including supplies and followup, and informational, counseling, and educational services. Comprehensive clinical family planning services shall not include abortion, pregnancy testing solely for the purposes of referral for abortion or services ancillary to abortions, or pregnancy care that is not incident to the diagnosis of pregnancy. Comprehensive clinical family planning services shall be subject to utilization control and include all of the following:

(A) Family planning related services and male and female sterilization. Family planning services for men and women shall include emergency services and services for complications directly related to the contraceptive method, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, and followup, consultation, and referral services, as indicated, which may require treatment authorization requests.

(B) All United States Department of Agriculture, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies that are in keeping with current standards of practice and from which the individual may choose.

(C) Culturally and linguistically appropriate health education and counseling services, including informed consent, that include all of the following:

(i) Psychosocial and medical aspects of contraception.

(ii) Sexuality.

(iii) Fertility.

(iv) Pregnancy.

(v) Parenthood.

(vi) Infertility.

(vii) Reproductive health care.

(viii) Preconception and nutrition counseling.

(ix) Prevention and treatment of sexually transmitted infection.

(x) Use of contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies.

(xi) Possible contraceptive consequences and followup.

(xii) Interpersonal communication and negotiation of relationships to assist individuals and couples in effective contraceptive method use and planning families.

(D) A comprehensive health history, updated at the next periodic visit (between 11 and 24 months after initial examination) that includes a complete obstetrical history, gynecological history, contraceptive history, personal medical history, health risk factors, and family health history, including genetic or hereditary conditions.

(E) A complete physical examination on initial and subsequent periodic visits.

(F) Services, drugs, devices, and supplies deemed by the federal Centers for Medicare and Medicaid Services to be appropriate for inclusion in the program.

(9) In order to maximize the availability of federal financial participation under this subdivision, the director shall have the discretion to implement the Family PACT successor state plan amendment retroactively to July 1, 2010.

(ab) (1) Purchase of prescribed enteral nutrition products is covered, subject to the Medi-Cal list of enteral nutrition products and utilization controls.

(2) Purchase of enteral nutrition products is limited to those products to be administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube. ~~Beneficiaries~~ A beneficiary under the Early and Periodic Screening, ~~Diagnosis;~~ Diagnostic, and Treatment Program shall be exempt from this paragraph.

(3) Notwithstanding paragraph (2), the department may deem an enteral nutrition product, not administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube, a benefit for patients with diagnoses, including, but not limited to, malabsorption and inborn errors of metabolism, if the product has been shown to be neither investigational nor experimental when used as part of a therapeutic regimen to prevent serious disability or death.

(4) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement the amendments to this subdivision made by the act that added this paragraph by means of all-county letters, provider bulletins, or similar instructions, without taking regulatory action.

(5) The amendments made to this subdivision by the act that added this paragraph shall be implemented June 1, 2011, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(ac) Diabetic testing supplies are covered when provided by a pharmacy, subject to utilization controls.

(ad) (1) Nonmedical transportation is covered, subject to utilization controls and permissible time and distance standards, for a beneficiary to obtain covered Medi-Cal services.

(2) (A) (i) Nonmedical transportation includes, at a minimum, round trip transportation for a beneficiary to obtain covered Medi-Cal services by passenger car, taxicab, or any other form of public or private conveyance, and mileage reimbursement when conveyance is in a private vehicle arranged by the beneficiary and not through a transportation broker, bus passes, taxi vouchers, or train tickets.

(ii) Nonmedical transportation does not include the transportation of a sick, injured, invalid, convalescent, infirm, or otherwise incapacitated ~~beneficiaries~~ beneficiary by ~~ambulances;~~ ambulance, litter ~~vans;~~ van, or wheelchair ~~vans~~ van licensed, operated, and equipped in accordance with state and local statutes, ordinances, or regulations.

(B) Nonmedical transportation shall be provided for a beneficiary who can attest in a manner to be specified by the department that other currently available resources have been reasonably exhausted. For ~~beneficiaries~~ a

beneficiary enrolled in a managed care plan, nonmedical transportation shall be provided by the beneficiary's managed care plan. For a Medi-Cal fee-for-service ~~beneficiaries~~, *beneficiary*, the department shall provide nonmedical transportation when those services are not available to the beneficiary under Sections 14132.44 and 14132.47.

(3) Nonmedical transportation shall be provided in a form and manner that is accessible, in terms of physical and geographic accessibility, for the beneficiary and consistent with applicable state and federal disability rights laws.

(4) It is the intent of the Legislature in enacting this subdivision to affirm the requirement under Section 431.53 of Title 42 of the Code of Federal Regulations, in which the department is required to provide necessary transportation, including nonmedical transportation, for recipients to and from covered services. This subdivision shall not be interpreted to add a new benefit to the Medi-Cal program.

(5) The department shall seek any federal approvals that may be required to implement this subdivision, including, but not limited to, approval of revisions to the existing state plan that the department determines are necessary to implement this subdivision.

(6) This subdivision shall be implemented only to the extent that federal financial participation is available and not otherwise ~~jeopardized~~, *jeopardized* and any necessary federal approvals have been obtained.

(7) Prior to the effective date of any necessary federal approvals, nonmedical transportation was not a Medi-Cal managed care benefit with the exception of when provided as an Early and Periodic Screening, ~~Diagnosis~~, *Diagnostic*, and Treatment ~~(EPSDT)~~ service.

(8) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, shall implement, interpret, or make specific this subdivision by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until the time regulations are adopted. By July 1, 2018, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing January 1, 2018, and notwithstanding Section 10231.5 of the Government Code, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

(9) This subdivision shall not be implemented until July 1, 2017.

(ae) (1) Enhanced care management is a covered benefit. Enhanced case management shall be provided in person to a beneficiary and, at a minimum, the service shall include coordinating primary, acute, behavioral, oral, and long-term services and supports for that person.

(2) (A) The department shall seek any federal approvals that may be required to implement this subdivision, including any approval of any revision to the state plan that the department determines is necessary to implement this subdivision.

(B) This subdivision shall be implemented only to the extent that federal financial participation is available and not otherwise jeopardized and any necessary federal approvals have been obtained.

(3) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this subdivision by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions, without taking any further regulatory action. By July 1, 2024, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing January 1, 2023, and notwithstanding Section 10231.5 of the Government Code, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

(4) This subdivision shall not be implemented until January 1, 2022.

SEC. 2. Section 14197.8 is added to the Welfare and Institutions Code, to read:

14197.8. (a) A Medi-Cal managed care plan shall disclose the availability of in lieu of services described in Section 14301.1 on its internet website and its beneficiary handbook.

(b) A Medi-Cal managed care plan shall disclose all of the following to the department:

- (1) The number of enrollees receiving in lieu of services.
 - (2) The type of in lieu of services that enrollees are receiving.
 - (3) The type of covered service that the in lieu of services is being provided for as an alternative to the covered service.
 - (4) The number of people receiving in lieu of services who are homeless.
- (c) The department shall publish the information required by this section on its internet website.

SEC. 3. Section 14301.1 of the Welfare and Institutions Code is amended to read:

14301.1. (a) For rates established on or after August 1, 2007, the department shall pay capitation rates to ~~health~~ *Medi-Cal managed care* plans participating in the Medi-Cal managed care program using actuarial methods and may establish health-plan- and county-specific rates. Notwithstanding any other law, this section shall apply to any managed care organization, licensed under the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code), that has contracted with the department as a primary care case management plan pursuant to Article 2.9 (commencing with Section 14088) of Chapter 7 to provide services to beneficiaries who are HIV positive or who have been diagnosed with AIDS for rates established on or after July 1, 2012. The department shall utilize a county- and model-specific rate methodology to develop Medi-Cal managed care capitation rates for contracts entered into between the department and any entity pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), and Article 2.91 (commencing with Section 14089) of Chapter 7 that includes, but is not limited to, all of the following:

- (1) Health-plan-specific encounter and claims data.
- (2) Supplemental utilization and cost data submitted by the health plans.
- (3) Fee-for-service data for the underlying county of operation or other appropriate counties as deemed necessary by the department.
- (4) Department of Managed Health Care financial statement data specific to Medi-Cal operations.
- (5) Other demographic factors, such as age, gender, or diagnostic-based risk adjustments, as the department deems appropriate.

(6) In lieu of services and settings provided by the plan pursuant to Section 438.6(e) of Title 42 of the Code of Federal Regulations.

(b) To the extent that the department is unable to obtain sufficient actual plan data, ~~the~~ *the department* may substitute plan model, similar plan, or county-specific fee-for-service data.

(c) The department shall develop rates that include administrative costs, and may apply different administrative costs with respect to separate aid code groups.

(d) The department shall develop rates that shall include, but are not limited to, assumptions for underwriting, return on investment, risk, contingencies, changes in policy, and a detailed review of health plan financial statements to validate and reconcile costs for use in developing rates.

(e) The department may develop rates that pay plans based on performance incentives, including quality indicators, access to care, and data submission.

(f) The department may develop and adopt condition-specific payment rates for health conditions, including, but not limited to, childbirth delivery.

(g) (1) ~~Prior to~~ *Before* finalizing Medi-Cal managed care capitation rates, the department shall provide ~~health~~ *Medi-Cal managed care* plans with information on how the rates were developed, including rate sheets for that specific health plan, and provide the *Medi-Cal managed care* plans with the opportunity to provide additional supplemental information.

(2) For contracts entered into between the department and any entity pursuant to Article 2.8 (commencing with Section 14087.5) of Chapter 7, ~~the department~~, by June 30 of each year, or, if the budget has not passed by that

date, no later than five working days after the budget is signed, *the department* shall provide preliminary rates for the upcoming fiscal year.

(h) For the purposes of developing capitation rates through implementation of this ratesetting methodology, Medi-Cal managed care ~~health~~ plans shall provide the department with financial and utilization data in a form and substance as deemed necessary by the department to establish rates. This data shall be considered proprietary and shall be exempt from disclosure as official information pursuant to subdivision (k) of Section 6254 of the Government Code as contained in the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(i) Notwithstanding any other law, on and after the effective date of the act adding this subdivision, the department may apply this section to the capitation rates it pays under any *Medi-Cal* managed care ~~health~~ plan contract.

(j) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may set and implement managed care capitation rates, and interpret or make specific this section and any applicable federal waivers and state plan amendments by means of plan letters, plan or provider bulletins, or similar instructions, without taking regulatory action.

(k) The department shall report, upon request, to the fiscal and policy committees of the respective houses of the Legislature ~~regarding on~~ implementation of this section.

(l) ~~Prior to~~ *Before* October 1, 2011, the risk-adjusted countywide capitation rate shall comprise no more than 20 percent of the total capitation rate paid to each Medi-Cal managed care plan.

(m) (1) It is the intent of the Legislature to preserve the policy goal to support and strengthen traditional safety net providers who treat high volumes of uninsured and Medi-Cal patients when Medi-Cal enrollees are defaulted into Medi-Cal managed care plans.

(2) As the department adds additional factors, such as managed care plan costs, to the Medi-Cal managed care plan default assignment algorithm, ~~it~~ *the department* shall consult with the Auto Assignment Performance Incentive Program stakeholder workgroup to develop cost factor disregards related to intergovernmental transfers and required wraparound payments that support safety net providers.

(n) (1) The department shall develop and pay capitation rates to entities contracted pursuant to Chapter 8.75 (commencing with Section 14591), using actuarial methods and in a manner consistent with this section, except as provided in this subdivision.

(2) (A) The department may develop capitation rates using a standardized rate methodology across managed care plan models for comparable populations. The specific rate methodology applied to PACE organizations shall address features of PACE that distinguishes ~~it~~ *PACE* from other managed care plan models.

(B) The rate methodology shall be consistent with actuarial rate development principles and shall provide for all reasonable, appropriate, and attainable costs for each PACE organization within a region.

(3) The department may develop statewide rates and apply geographic adjustments, using available data sources deemed appropriate by the department. Consistent with actuarial methods, the primary source of data used to develop rates for each PACE organization shall be its Medi-Cal cost and utilization data or other data sources as deemed necessary by the department.

(4) Rates developed pursuant to this subdivision shall reflect the level of care associated with the specific populations served under the contract.

(5) The rate methodology developed pursuant to this subdivision shall contain a mechanism to account for the costs of high-cost drugs and treatments.

(6) Rates developed pursuant to this subdivision shall be actuarially certified ~~prior to~~ *before* implementation.

(7) The department shall consult with those entities contracted pursuant to Chapter 8.75 (commencing with Section 14591) in developing a rate methodology according to this subdivision.

(8) Consistent with the requirements of federal law, the department shall calculate an upper payment limit for payments to PACE organizations. In calculating the upper payment limit, the department shall correct the applicable data as necessary and shall consider the risk of nursing home placement for the comparable population when estimating the level of care and risk of PACE participants.

(9) The department shall pay the entity at a rate within the certified actuarially sound rate range developed with respect to that entity, to the extent consistent with federal requirements and subject to paragraph (11), as necessary to mitigate the impact to the entity of the methodology developed pursuant to this subdivision.

(10) During the first two years in which a new PACE organization or existing PACE organization enters a previously unserved area, the department shall pay at a rate within the certified actuarially sound rate range developed with respect to that entity, to the extent consistent with federal requirements and subject to paragraph (11), to reflect the lower enrollment and higher operating costs associated with a new PACE organization relative to a PACE organization with higher enrollment and more experience providing managed care interventions to its beneficiaries.

(11) This subdivision shall be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available.

(12) This subdivision shall apply for rates implemented no earlier than January 1, 2017.



SB-306 Sexually transmitted disease: testing. (2021-2022)

SHARE THIS:



Date Published: 02/04/2021 09:00 PM

CALIFORNIA LEGISLATURE— 2021-2022 REGULAR SESSION

SENATE BILL

NO. 306

**Introduced by Senator Pan
(Principal coauthor: Senator Wiener)**

February 04, 2021

An act to amend Section 4076 of the Business and Professions Code, to amend Sections 1367.31, 120582, 120685, and 120917 of the Health and Safety Code, to amend Section 10123.202 of the Insurance Code, and to amend Sections 14105.181, 14132, and 24007 of the Welfare and Institutions Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 306, as introduced, Pan. Sexually transmitted disease: testing.

(1) Existing law authorizes a specified health care provider who diagnoses an STD, as specified, to prescribe, dispense, furnish, or otherwise provide prescription antibiotic drugs to that patient's sexual partner or partners without examination of that patient's partner or partners. The Pharmacy Law provides for the licensure and regulation of pharmacists by the California State Board of Pharmacy. The Pharmacy Law requires a pharmacist to dispense a prescription in a container that, among other things, is correctly labeled with the name of the patient or patients.

This bill would name the above practice "expedited partner therapy." The bill would require a health care provider to include "expedited partner therapy" or "EPT" on a prescription if the practitioner is unable to obtain the name of a patient's sexual partner, and would authorize a pharmacist to dispense an expedited partner therapy prescription and label the drug without an individual's name if the prescription includes "expedited partner therapy" or "EPT." The bill would specify that a health care provider is not liable in a medical malpractice action or professional disciplinary action, and that a pharmacist is not liable in a civil, criminal, or administrative action, if the use of expedited partner therapy is in compliance with the law, except in cases of intentional misconduct, gross negligence, or wanton or reckless activity.

(2) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or health insurance policy to provide coverage for reproductive and sexual health care services.

This bill would include home test kits for sexually transmitted diseases, as defined, and the laboratory costs for processing those kits in the definition of "reproductive and sexual health care services." By expanding the definition of a crime, this bill would impose a state-mandated local program.

(3) Existing law requires every licensed physician and surgeon or other person engaged in prenatal care of a pregnant woman, or attending the woman at the time of delivery, to obtain or cause to be obtained a blood specimen of the woman to test for syphilis at the time of the first professional visit or within 10 days thereafter.

This bill would require an additional blood test for syphilis in the 3rd trimester of pregnancy and would require a licensed health care provider who is attending a woman at the time of delivery to ensure that a blood specimen is obtained from the patient at the time of delivery for the purpose of testing for syphilis unless the patient's chart shows a negative syphilis screen in the 3rd trimester.

(4) Under existing law, the State Department of Public Health licenses, registers, and regulates clinical laboratories and various clinical laboratory personnel. Existing law authorizes an HIV counselor who receives specified training and works in specified counseling and testing sites to perform HIV, hepatitis C virus (HCV), or combined HIV/HCV tests, including performing skin punctures for purposes of withdrawing blood for purposes of these tests, as specified. Under existing law, an HIV counselor must receive training directly from the Office of AIDS or work directly with HIV counseling staff that have been trained by the Office of AIDS or its agents.

This bill would authorize an HIV counselor to also perform a rapid STI test, or any combination HIV/HCV/STI test, as specified. The bill would also allow HIV counselors to receive HIV counseling training through a training course that has been certified by the Office of AIDS.

(5) Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law prohibits a Medi-Cal managed care plan from restricting a beneficiary's choice of a qualified provider from whom the beneficiary may receive covered family planning services.

Under existing law, the Medi-Cal program administers the Family Planning, Access, Care, and Treatment (Family PACT) Program within the department to provide comprehensive clinical family planning services to a person with a family income at or below 200% of the federal poverty level. Existing law requires reimbursement rates for office visits billed as comprehensive clinical family planning services by Family PACT providers or Medi-Cal providers to receive a rate augmentation equal to the weighted average of at least 80% of the amount that the federal Medicare program reimburses for the same or similar office visits.

This bill would, subject to an appropriation by the Legislature and any potential draw down of federal matching funds, authorize an office visit to a Family PACT provider or Medi-Cal provider for specified STD-related services for uninsured, income-eligible patients, or patients with health care coverage who have confidentiality concerns, who are not at risk of experiencing or causing an unintended pregnancy, and who are not in need of contraceptive services, to be reimbursed at the same rate as comprehensive clinical family planning services.

The bill would include in the benefits for Medi-Cal and the Family PACT program home test kits for sexually transmitted diseases and the laboratory testing required to process those kits.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares the following:

(a) The COVID-19 pandemic has exacerbated rates of sexually transmitted diseases (STDs) in California and across the country that were already skyrocketing to epidemic proportions prior to the public health emergency.

(b) Although the STD epidemic has reached communities across the state, California youth, people of color, and gay, bisexual, and transgender people are disproportionately impacted.

(c) These disparities are expected to worsen during the COVID-19 crisis due to stigma, discrimination, drug use, and a reduction in testing and access to treatment.

(d) A new, antibiotic-resistant strain of gonorrhea began to spread across the country during the COVID-19 crisis, a sign that the epidemic has been neglected for a long period of time.

(e) The federal Centers for Disease Control and Prevention (CDC) estimates that there are approximately 19,000,000 new STD infections each year. Nearly 340,000 Californians were infected with syphilis, chlamydia, or gonorrhea in 2018, which is an increase of 40 percent since 2013.

(f) In 2016 alone, gonorrhea rates increased by double digits in the following counties: Los Angeles by 27 percent, San Diego by 35.5 percent, Orange by 32 percent, San Francisco by 18 percent, Kings by 41 percent, and Fresno by 13 percent. The Counties of Mendocino and Sacramento led the increase at 81 percent and 50 percent, respectively. These rates continued to increase in 2017 and 2018.

(g) Statewide data indicate that over one-half of all STDs in the state are experienced by California youth 15 to 24, inclusive, years of age.

(h) Currently, African American young women are 500 percent more likely to contract gonorrhea and chlamydia than their white counterparts.

(i) California has the second highest syphilis rate in the nation. While 90 percent of all male syphilis cases in 2013 were among bisexual and gay men, the epidemic has spread among women. Between 2008 and 2018, the syphilis rate among women of reproductive age increased by 743 percent.

(j) California ranks fifth among states in congenital syphilis rates. In 2018, approximately 329 babies were born with congenital syphilis across the state and there were 20 stillbirths associated with the disease. More than 100 babies were born with congenital syphilis in Los Angeles County in 2020 during the COVID-19 pandemic.

(k) Approximately \$1 billion is spent annually statewide on health costs associated with STDs.

(l) The cost of STDs to the United States health care system is estimated to be as much as \$15.9 billion annually.

(m) Untreated STDs can lead to serious long-term health consequences. The CDC estimates that untreated STDs cause at least 24,000 women in the United States each year to become infertile.

(n) STDs increase both the transmission and acquisition of human immunodeficiency virus (HIV), particularly among bisexual and gay men.

(o) The human papilloma virus (HPV) can lead to increased risk of developing cancer. The number of HPV-related cancers in men dramatically increased in 2016.

(p) Untreated syphilis can also result in devastating and negative maternal child health outcomes, including infant death. The CDC estimates that of the pregnant women who acquire syphilis up to four years before delivery, 80 percent will transmit the infection to the fetus and 40 percent may result in stillbirth or death.

(q) The scope of the STD epidemic requires a bold response. California must take a comprehensive and robust approach to strengthen our public health infrastructure, ensure access to STD coverage, and care for all Californians, during the pandemic and beyond.

SEC. 2. Section 4076 of the Business and Professions Code is amended to read:

4076. (a) A pharmacist shall not dispense ~~any~~ a prescription except in a container that meets the requirements of state and federal law and is correctly labeled with all of the following:

(1) Except when the prescriber or the certified nurse-midwife who functions pursuant to a standardized procedure or protocol described in Section 2746.51, the nurse practitioner who functions pursuant to a standardized procedure described in Section 2836.1 or protocol, the physician assistant who functions pursuant to Section 3502.1, the naturopathic doctor who functions pursuant to a standardized procedure or protocol described in Section 3640.5, or the pharmacist who functions pursuant to a policy, procedure, or protocol pursuant to Section 4052.1, 4052.2, or 4052.6 orders otherwise, either the manufacturer's trade name of the drug or the generic name and the name of the manufacturer. Commonly used abbreviations may be used. Preparations containing two or more active ingredients may be identified by the manufacturer's trade name or the commonly used name or the principal active ingredients.

(2) The directions for the use of the drug.

(3) The name of the patient or patients.

(4) The name of the prescriber or, if applicable, the name of the certified nurse-midwife who functions pursuant to a standardized procedure or protocol described in Section 2746.51, the nurse practitioner who functions pursuant to a standardized procedure described in Section 2836.1 or protocol, the physician assistant who functions pursuant to Section 3502.1, the naturopathic doctor who functions pursuant to a standardized procedure or protocol described in Section 3640.5, or the pharmacist who functions pursuant to a policy, procedure, or protocol pursuant to Section 4052.1, 4052.2, or 4052.6.

(5) The date of issue.

(6) The name and address of the pharmacy, and prescription number or other means of identifying the prescription.

(7) The strength of the drug or drugs dispensed.

(8) The quantity of the drug or drugs dispensed.

(9) The expiration date of the effectiveness of the drug dispensed.

(10) The condition or purpose for which the drug was prescribed if the condition or purpose is indicated on the prescription.

(11) (A) Commencing January 1, 2006, the physical description of the dispensed medication, including its color, shape, and any identification code that appears on the tablets or capsules, except as follows:

(i) Prescriptions dispensed by a veterinarian.

(ii) An exemption from the requirements of this paragraph shall be granted to a new drug for the first 120 days that the drug is on the market and for the 90 days during which the national reference file has no description on file.

(iii) Dispensed medications for which no physical description exists in ~~any~~ a commercially available database.

(B) This paragraph applies to outpatient pharmacies only.

(C) The information required by this paragraph may be printed on an auxiliary label that is affixed to the prescription container.

(D) This paragraph shall not become operative if the board, prior to January 1, 2006, adopts regulations that mandate the same labeling requirements set forth in this paragraph.

(b) If a pharmacist dispenses a prescribed drug by means of a unit dose medication system, as defined by administrative regulation, for a patient in a skilled nursing, intermediate care, or other health care facility, the requirements of this section will be satisfied if the unit dose medication system contains the aforementioned information or the information is otherwise readily available at the time of drug administration.

(c) If a pharmacist dispenses a dangerous drug or device in a facility licensed pursuant to Section 1250 of the Health and Safety Code, it is not necessary to include on individual unit dose containers for a specific patient, the name of the certified nurse-midwife who functions pursuant to a standardized procedure or protocol described in Section 2746.51, the nurse practitioner who functions pursuant to a standardized procedure described in Section 2836.1 or protocol, the physician assistant who functions pursuant to Section 3502.1, the naturopathic doctor who functions pursuant to a standardized procedure or protocol described in Section 3640.5, or the pharmacist who functions pursuant to a policy, procedure, or protocol pursuant to Section 4052.1, 4052.2, or 4052.6.

(d) If a pharmacist dispenses a prescription drug for use in a facility licensed pursuant to Section 1250 of the Health and Safety Code, it is not necessary to include the information required in paragraph (11) of subdivision (a) when the prescription drug is administered to a patient by a person licensed under the Medical Practice Act (Chapter 5 (commencing with Section 2000)), the Nursing Practice Act (Chapter 6 (commencing with Section 2700)), or the Vocational Nursing Practice Act (Chapter 6.5 (commencing with Section 2840)), who is acting within ~~his or her~~ ~~the~~ scope of practice.

(e) A pharmacist shall use professional judgment to provide a patient with directions for use that enhance the patient's understanding of those directions, consistent with the prescriber's instructions.

(f) Notwithstanding subdivision (a) or any other law, a pharmacist may dispense a drug prescribed pursuant to Section 120582 of the Health and Safety Code and label the drug without the name of an individual for whom the drug is intended if the prescription includes the words "expedited partner therapy" or the letters "EPT."

(g) A pharmacist who prescribes, dispenses, furnishes, or otherwise renders EPT, as authorized in subdivision (f), shall not be liable in, and shall not be subject to, a civil, criminal, or administrative action, sanction, or penalty for rendering EPT, if the use of EPT is in compliance with this section, except in cases of intentional misconduct, gross negligence, or wanton or reckless activity.

SEC. 3. Section 1367.31 of the Health and Safety Code is amended to read:

1367.31. (a) Every health care service plan contract issued, amended, renewed, or delivered on or after January 1, 2017, shall be prohibited from requiring an enrollee to receive a referral prior to receiving coverage or services for reproductive and sexual health care.

(b) (1) For the purposes of this section, "reproductive and sexual health care services" are all reproductive and sexual health services described in Sections 6925, 6926, 6927, and 6928 of the Family Code, or Section 121020 of ~~the Health and Safety Code~~, *this code*, obtained by a patient.

(2) For the purposes of this section, "reproductive and sexual health care services" include home test kits for sexually transmitted diseases, including the laboratory costs of processing the kit. For purposes of this paragraph, "home test kit" means a product intended to be administered by the patient and collected remotely.

~~(2)~~

(3) For the purposes of this section, "reproductive and sexual health care services" do not include the services subject to a health care service plan's referral procedures as required by subdivisions (a) and (b) of Section 1374.16.

~~(3)~~

(4) This section applies whether or not the patient is a minor.

(c) In implementing this section, a health care service plan may establish reasonable provisions governing utilization protocols for obtaining reproductive and sexual health care services, as provided for in subdivision (a), from health care providers participating in, or contracting with, the plan network, medical group, or independent practice association, provided that these provisions shall be consistent with the intent of this section and shall be those customarily applied to other health care providers, such as primary care physicians and surgeons, to whom the enrollee has direct access, and shall not be more restrictive for the provision of reproductive and sexual health care services. An enrollee shall not be required to obtain prior approval from another physician, another provider, or the health care service plan prior to obtaining direct access to reproductive and sexual health care services. A health care service plan may establish reasonable provisions governing communication with the enrollee's primary care physician and surgeon regarding the enrollee's condition, treatment, and any need for followup care.

(d) This section ~~shall~~ *does* not apply to a health care service plan contract that does not require enrollees to obtain a referral from their primary care physician prior to seeking covered health care services from a specialist.

(e) A health care service plan shall not impose utilization protocols related to contraceptive drugs, supplies, and devices beyond the provisions outlined in Section 1367.25 of this code or Section 14132 of the Welfare and Institutions Code.

(f) This section ~~shall~~ *does* not apply to specialized health care service plan contracts or any health care service plan that is governed by Section 14131 of the Welfare and Institutions Code.

SEC. 4. Section 120582 of the Health and Safety Code is amended to read:

120582. (a) Notwithstanding any other ~~provision of~~ law, a physician and surgeon who diagnoses a sexually transmitted chlamydia, gonorrhea, or other sexually transmitted infection, as determined by the department, in an individual patient may prescribe, dispense, furnish, or otherwise provide prescription antibiotic drugs to that patient's sexual partner or partners without examination of that patient's partner or partners. *This practice shall be known as expedited partner therapy (EPT).* The department may adopt regulations to implement this section.

(b) Notwithstanding any other ~~provision of~~ law, a nurse practitioner pursuant to Section 2836.1 of the Business and Professions Code, a certified nurse-midwife pursuant to Section 2746.51 of the Business and Professions Code, and a physician assistant pursuant to Section 3502.1 of the Business and Professions Code may ~~dispense, furnish, or otherwise provide~~ *include EPT in their practice by dispensing, furnishing, or otherwise providing* prescription antibiotic drugs to the sexual partner or partners of a patient with a diagnosed sexually transmitted chlamydia, gonorrhea, or other sexually transmitted infection, as determined by the department, without examination of the patient's sexual partner or partners.

(c) If a health care provider is unable to obtain the name of a patient's sexual partner for a drug prescribed pursuant to subdivision (a) or (b), the prescription shall include the words "expedited partner therapy" or the letters "EPT."

(d) A health care provider shall not be liable in a medical malpractice action or professional disciplinary action if the use of EPT is in compliance with this section, except in cases of intentional misconduct, gross negligence, or wanton or reckless activity.

SEC. 5. Section 120685 of the Health and Safety Code is amended to read:

120685. (a) Every licensed physician and surgeon or other person engaged in prenatal care of a pregnant woman, or attending the woman at the time of delivery, shall obtain or cause to be obtained a blood specimen of the woman at ~~the time of the first professional visit or within 10 days thereafter.~~ *both of the following times:*

(1) A the time of the first professional visit or within 10 days thereafter.

(2) During the third trimester of pregnancy.

(b) A licensed health care provider who is attending a woman at the time of delivery shall ensure that a blood specimen is obtained from the patient at the time of delivery for the purpose of conducting a standard laboratory blood test unless the patient's chart shows a negative syphilis screen in the third trimester.

SEC. 6. Section 120917 of the Health and Safety Code is amended to read:

120917. (a) An HIV counselor who meets the requirements of subdivision (e) may do all of the following:

(1) Perform any HIV, hepatitis C virus (HCV), *or other sexually transmitted infection (STI) test*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ test that is classified as waived under the federal Clinical Laboratory Improvement Act (CLIA) (42 U.S.C. Sec. 263a and following) if all of the following conditions exist:

(A) The performance of the HIV, HCV, *or STI test*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ test meets the requirements of CLIA and, subject to subparagraph (B), Chapter 3 (commencing with Section 1200) of Division 2 of the Business and Professions Code.

(B) Notwithstanding Section 1246 of the Business and Professions Code, an HIV counselor may perform skin punctures for the purpose of withdrawing blood for *an* HIV, HCV, *STI test*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ testing, upon specific authorization from a licensed physician and surgeon, provided that the person meets both of the following requirements:

(i) ~~He or she~~ *The HIV counselor* works under the direction of a licensed physician and surgeon.

(ii) ~~He or she~~ *The HIV counselor* has been ~~trained in both~~ *trained, and is proficient, in administering* rapid HIV, HCV, *or STI tests*, or combination ~~HIV/HCV test proficiency for skin puncture blood tests and oral swab tests~~ *HIV/HCV/STI test*, and in universal infection control precautions, consistent with best infection control practices established by the Division of Occupational Safety and Health in the Department of Industrial Relations and the federal Centers for Disease Control and Prevention.

(C) The person performing the HIV, HCV, *or STI test*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ test meets the requirements for the performance of waived laboratory testing pursuant to subdivision (a) of Section 1206.5 of the Business and Professions Code. For purposes of this subdivision and subdivision (a) of Section 1206.5 of the Business and Professions Code, an HIV counselor who meets the requirements of subdivision (e) shall be "other health care personnel providing direct patient care" as referred to in paragraph (13) of subdivision (a) of Section 1206.5 of the Business and Professions Code.

(D) The patient is informed that the preliminary result of the test is indicative of the likelihood of HIV ~~infection or HCV exposure~~ *infection, HCV exposure, or other STI exposure* and that the result ~~must~~ *may need to* be confirmed by an additional more specific test, or, if approved by the federal Centers for Disease Control and Prevention for that purpose, a second different rapid HIV, HCV, *or STI test*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ test. ~~Nothing in this~~ *This* subdivision ~~shall be construed to~~ *does not* allow an HIV counselor to perform ~~any HIV, HCV, or combination HIV/HCV~~ *an HIV, HCV, or STI test, or any combination HIV/HCV/STI* test that is not classified as waived under the CLIA.

(2) Notwithstanding Section 1246.5 of the Business and Professions Code, order and report HIV, HCV, *or STI tests*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ test results from tests performed pursuant to paragraph (1) to patients without authorization from a licensed health care professional or ~~his or her~~ *the health care professional's* authorized representative. Patients with indeterminate or positive test results from tests performed pursuant to paragraph (1) shall be referred to a licensed health care provider whose scope of practice includes the authority to refer patients for laboratory testing for further evaluation.

(b) An HIV counselor who has been certified pursuant to subdivision (b) of Section 120871 prior to September 1, 2009, and who will administer rapid HIV, HCV, *or STI tests*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ skin puncture tests shall obtain training required by clause (ii) of subparagraph (B) of paragraph (1) of subdivision (a) prior to September 1, 2011. The HIV counselor shall not, unless also certified as a limited phlebotomist technician, perform a skin puncture pursuant to this section until ~~he or she has completed~~ *after completing* the training required by that clause.

(c) An HIV counselor who meets the requirements of this section with respect to performing any HIV, HCV, *or STI test*, or *any* combination ~~HIV/HCV HIV/HCV/STI~~ test that is classified as waived under the CLIA may not perform any other test unless that person meets the statutory and regulatory requirements for performing that other test.

(d) This section ~~shall not be construed to~~ *does not* certify an HIV counselor as a phlebotomy technician or a limited phlebotomy technician, or ~~to~~ fulfill any requirements for certification as a phlebotomy technician or a limited phlebotomy technician, unless the HIV counselor has otherwise satisfied the certification requirements imposed pursuant to Section 1246 of the Business and Professions Code.

(e) (1) An HIV counselor shall meet one of the following criteria:

(A) Is trained by the Office of AIDS and working in an HIV counseling and testing site funded by the department through a local health jurisdiction, or its agents.

(B) Is working in an HIV counseling and testing site that meets both of the following criteria:

(i) Utilizes HIV counseling staff who are trained by the Office of AIDS or its agents.

(ii) Has a quality assurance plan approved by the local health department in the jurisdiction where the site is located and has HIV counseling and testing staff who comply with the quality assurance requirements specified in Section 1230 of Article 1 of Group 9 of Subchapter 1 of Chapter 2 of Division 1 of Title 17 of the California Code of Regulations.

(C) Has completed HIV counseling training course that has been approved by the Office of AIDS.

(2) (A) The Office of AIDS or its agents may charge a fee for training HIV counseling staff.

(B) The local health department may charge a fee for the quality assurance plan approval.

SEC. 7. Section 10123.202 of the Insurance Code is amended to read:

10123.202. (a) A health insurance policy issued, amended, renewed, or delivered on or after January 1, 2017, excluding specialized health insurance policies, shall be prohibited from requiring an insured to receive a referral before receiving coverage or services for reproductive and sexual health care.

(b) (1) For the purposes of this section, "reproductive and sexual health care services" are all reproductive and sexual health services described in Sections 6925, 6926, 6927, and 6928 of the Family Code, or Section 121020 of the Health and Safety Code, obtained by a patient.

(2) For the purposes of this section, "reproductive and sexual health care services" include home test kits for sexually transmitted diseases, including the laboratory costs of processing the kit. For purposes of this

paragraph, "home test kit" means a product intended to be administered by the patient and collected remotely.

(2)

(3) This section applies whether or not the patient is a minor.

(c) In implementing this section, a health insurer may establish reasonable provisions governing utilization protocols for obtaining reproductive and sexual health care services, as provided for in subdivision (a), if these provisions are consistent with the intent of this section and are those customarily applied to other health care providers, such as primary care physicians and surgeons, to whom the insured has direct access, and are not more restrictive for reproductive and sexual health care services. An insured shall not be required to obtain prior approval from another physician, another provider, or the insurer before obtaining direct access to reproductive and sexual health care services. An insurer may establish reasonable provisions governing communication with the insured's primary care physician and surgeon regarding the insured's condition, treatment, and a need for followup care.

(d) This section ~~shall~~ *does* not apply to a health insurance policy that does not require insureds to obtain a referral from their primary care physician before seeking covered health care services from a specialist.

(e) A health insurer shall not impose utilization protocols related to contraceptive drugs, supplies, and devices beyond those in Section 10123.196.

(f) This section ~~shall~~ *does* not apply to specialized health insurance, Medicare supplement insurance, CHAMPUS supplement insurance, or TRICARE supplement insurance, or to hospital indemnity, accident-only, or specified disease insurance.

SEC. 8. Section 14105.181 of the Welfare and Institutions Code is amended to read:

14105.181. (a) For purposes of this section, the following definitions shall apply:

(1) "The Family Planning, Access, Care, and Treatment (Family ~~PACT~~ *waiver* ~~PACT~~)" or "Family ~~PACT~~ *waiver* ~~PACT~~" means the program described in subdivision (aa) of Section ~~14132, as approved by a federal demonstration waiver.~~ *14132.*

(2) "Comprehensive clinical family planning services" means those services described in paragraph (8) of subdivision (aa) of Section 14132.

(3) "Office visits" means those procedures billed under Common Procedure Terminology codes 99201, 99202, 99203, 99204, 99211, 99212, 99213, and 99214.

(b) Reimbursement rates for office visits billed as comprehensive clinical family planning services by Family PACT ~~waiver~~ providers and for office visits billed as family planning services by Medi-Cal providers shall receive a rate augmentation equal to the weighted average of at least 80 percent of the amount that the federal Medicare program reimburses for these same or similar office visits. The rate augmentation shall be based upon Medicare rates in effect on December 31, 2007.

(c) Subject to an appropriation by the Legislature and any potential draw down of federal matching funds, reimbursement may be provided for sexually transmitted disease-related services outlined as reimbursable in the Family PACT Policies, Procedures, and Billing Instructions manual, in accordance with the "Treatment and Dispensing Guidelines for Clinicians" heading in the Benefits Grid section of that manual, to uninsured, income-eligible patients or patients with health care coverage who have confidentiality concerns, who are not at risk for experiencing or causing an unintended pregnancy, and who are not in need of contraceptive services. These office visits shall be reimbursed at the same rate as those office visits specified in subdivision (b).

(4)

(d) The augmentation of reimbursement rates described in subdivision (b) shall be made for office visits rendered on or after January 1, 2008.

(5)

(e) (1) The director may adopt regulations as necessary to implement this section. These regulations may be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For

purposes of this section, the adoption of the regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or the general welfare.

(2) As an alternative to paragraph (1), and notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the director may administer this section, in whole or in part, by means of a provider bulletin, or other similar instructions, without taking regulatory action.

SEC. 9. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, respiratory care, optometric, chiropractic, psychology, podiatric, **occupational therapy**, physical therapy, speech therapy, audiology, acupuncture to the extent federal matching funds are provided for acupuncture, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) (1) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and **occupational therapy**, are covered subject to utilization controls.

(2) For Medi-Cal fee-for-service beneficiaries, emergency services and care that are necessary for the treatment of an emergency medical condition and medical care directly related to the emergency medical condition. This paragraph shall not be construed to change the obligation of Medi-Cal managed care plans to provide emergency services and care. For the purposes of this paragraph, "emergency services and care" and "emergency medical condition" shall have the same meanings as those terms are defined in Section 1317.1 of the Health and Safety Code.

(c) Nursing facility services, subacute care services, and services provided by any category of intermediate care facility for the developmentally disabled, including podiatry, physician, nurse practitioner services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Respiratory care, physical therapy, **occupational therapy**, speech therapy, and audiology services for patients in nursing facilities and any category of intermediate care facility for ~~the developmentally disabled~~ *persons with developmental disabilities* are covered subject to utilization controls.

(d) (1) Purchase of prescribed drugs is covered subject to the Medi-Cal List of Contract Drugs and utilization controls.

(2) Purchase of drugs used to treat erectile dysfunction or any off-label uses of those drugs are covered only to the extent that federal financial participation is available.

(3) (A) To the extent required by federal law, the purchase of outpatient prescribed drugs, for which the prescription is executed by a prescriber in written, nonelectronic form on or after April 1, 2008, is covered only when executed on a tamper resistant prescription form. The implementation of this paragraph shall conform to the guidance issued by the federal Centers for Medicare and Medicaid ~~Services~~ *Services*, but shall not conflict with state statutes on the characteristics of tamper resistant prescriptions for controlled substances, including Section 11162.1 of the Health and Safety Code. The department shall provide providers and beneficiaries with as much flexibility in implementing these rules as allowed by the federal government. The department shall notify and consult with appropriate stakeholders in implementing, interpreting, or making specific this paragraph.

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instructions without taking regulatory action.

(4) (A) (i) For the purposes of this paragraph, nonlegend has the same meaning as defined in subdivision (a) of Section 14105.45.

(ii) Nonlegend acetaminophen-containing products, with the exception of children's acetaminophen-containing products, selected by the department are not covered benefits.

(iii) Nonlegend cough and cold products selected by the department are not covered benefits. This clause shall be implemented on the first day of the first calendar month following 90 days after the effective date of the act

that added this clause, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(iv) Beneficiaries under the Early and Periodic Screening, Diagnosis, and Treatment Program shall be exempt from clauses (ii) and (iii).

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instruction without taking regulatory action.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs, and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetist services when rendered in an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered, subject to utilization controls. ~~Nothing in this~~ This subdivision shall *not* be construed to require prior authorization for anesthesiologist services provided as part of an outpatient medical procedure or for portable X-ray services in a nursing facility or any category of intermediate care facility for the developmentally disabled.

(g) Blood and blood derivatives are covered.

(h) (1) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. The utilization controls shall allow emergency and essential diagnostic and restorative dental services and prostheses that are necessary to prevent a significant disability or to replace previously furnished prostheses that are lost or destroyed due to circumstances beyond the beneficiary's control. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions that preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's California Children Services Program.

(2) For persons 21 years of age or older, the services specified in paragraph (1) shall be provided subject to the following conditions:

(A) Periodontal treatment is not a benefit.

(B) Endodontic therapy is not a benefit except for vital pulpotomy.

(C) Laboratory processed crowns are not a benefit.

(D) Removable prosthetics shall be a benefit only for patients as a requirement for employment.

(E) The director may, by regulation, provide for the provision of fixed artificial dentures that are necessary for medical conditions that preclude the use of removable dental prostheses.

(F) Notwithstanding the conditions specified in subparagraphs (A) to (E), inclusive, the department may approve services for persons with special medical disorders subject to utilization review.

(3) Paragraph (2) shall become inoperative July 1, 1995.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) (1) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls. Utilization controls shall allow replacement of prosthetic and orthotic devices and eyeglasses necessary because of loss or destruction due to circumstances beyond the beneficiary's control. Frame styles for eyeglasses replaced pursuant to this subdivision shall not change more than once every two years, unless the department so directs.

~~Orthopedic~~

(2) *Orthopedic* and conventional shoes are covered when provided by a prosthetic and orthotic supplier on the prescription of a physician and when at least one of the shoes will be attached to a prosthesis or brace, subject to utilization controls. Modification of stock conventional or orthopedic shoes when medically indicated, is covered subject to utilization controls. When there is a clearly established medical need that cannot be satisfied

by the modification of stock conventional or orthopedic shoes, custom-made orthopedic shoes are covered, subject to utilization controls.

Therapeutic

(3) *Therapeutic* shoes and inserts are covered when provided to beneficiaries with a diagnosis of diabetes, subject to utilization controls, to the extent that federal financial participation is available.

(l) Hearing aids are covered, subject to utilization controls. Utilization controls shall allow replacement of hearing aids necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls. The utilization controls shall allow the replacement of durable medical equipment and medical supplies when necessary because of loss or destruction due to circumstances beyond the beneficiary's control. The utilization controls shall allow authorization of durable medical equipment needed to assist a disabled beneficiary in caring for a child for whom the disabled beneficiary is a parent, stepparent, foster parent, or legal guardian, subject to the availability of federal financial participation. The department shall adopt emergency regulations to define and establish criteria for assistive durable medical equipment in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(n) Family planning services are covered, subject to utilization controls. However, for Medi-Cal managed care plans, any utilization controls shall be subject to Section 1367.25 of the Health and Safety Code.

(o) Inpatient intensive rehabilitation hospital services, including respiratory rehabilitation services, in a general acute care hospital are covered, subject to utilization controls, when either of the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery.

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

(p) (1) Adult day health care is covered in accordance with Chapter 8.7 (commencing with Section 14520).

(2) Commencing 30 days after the effective date of the act that added this paragraph, and notwithstanding the number of days previously approved through a treatment authorization request, adult day health care is covered for a maximum of three days per week.

(3) As provided in accordance with paragraph (4), adult day health care is covered for a maximum of five days per week.

(4) As of the date that the director makes the declaration described in subdivision (g) of Section 14525.1, paragraph (2) shall become inoperative and paragraph (3) shall become operative.

(q) (1) Application of fluoride, or other appropriate fluoride treatment as defined by the department, and other prophylaxis treatment for children 17 years of age and under are covered.

(2) All dental hygiene services provided by a registered dental hygienist, registered dental hygienist in extended functions, and registered dental hygienist in alternative practice licensed pursuant to Sections 1753, 1917, 1918, and 1922 of the Business and Professions Code may be covered as long as they are within the scope of Denti-Cal benefits and they are necessary services provided by a registered dental hygienist, registered dental hygienist in extended functions, or registered dental hygienist in alternative practice.

(r) (1) Paramedic services performed by a city, county, or special district, or pursuant to a contract with a city, county, or special district, and pursuant to a program established under former Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 of the Health and Safety Code by a paramedic certified pursuant to that article, and consisting of defibrillation and those services specified in subdivision (3) of former Section 1482 of the article.

(2) All providers enrolled under this subdivision shall satisfy all applicable statutory and regulatory requirements for becoming a Medi-Cal provider.

(3) This subdivision shall be implemented only to the extent funding is available under Section 14106.6.

(s) In-home medical care services are covered when medically appropriate and subject to utilization controls, for beneficiaries who would otherwise require care for an extended period of time in an acute care hospital at a cost higher than in-home medical care services. The director shall have the authority under this section to contract with organizations qualified to provide in-home medical care services to those persons. These services may be provided to patients placed in shared or congregate living arrangements, if a home setting is not medically appropriate or available to the beneficiary. As used in this section, "in-home medical care service" includes utility bills directly attributable to continuous, 24-hour operation of life-sustaining medical equipment, to the extent that federal financial participation is available.

As used in this subdivision, in-home medical care services include, but are not limited to:

- (1) Level-of-care and cost-of-care evaluations.
- (2) Expenses, directly attributable to home care activities, for materials.
- (3) Physician fees for home visits.
- (4) Expenses directly attributable to home care activities for shelter and modification to shelter.
- (5) Expenses directly attributable to additional costs of special diets, including tube feeding.
- (6) Medically related personal services.
- (7) Home nursing education.
- (8) Emergency maintenance repair.
- (9) Home health agency personnel benefits that permit coverage of care during periods when regular personnel are on vacation or using sick leave.
- (10) All services needed to maintain antiseptic conditions at stoma or shunt sites on the body.
- (11) Emergency and nonemergency medical transportation.
- (12) Medical supplies.
- (13) Medical equipment, including, but not limited to, scales, gurneys, and equipment racks suitable for paralyzed patients.
- (14) Utility use directly attributable to the requirements of home care activities that are in addition to normal utility use.
- (15) Special drugs and medications.
- (16) Home health agency supervision of visiting staff that is medically necessary, but not included in the home health agency rate.
- (17) Therapy services.
- (18) Household appliances and household utensil costs directly attributable to home care activities.
- (19) Modification of medical equipment for home use.
- (20) Training and orientation for use of life-support systems, including, but not limited to, support of respiratory functions.
- (21) Respiratory care practitioner services as defined in Sections 3702 and 3703 of the Business and Professions Code, subject to prescription by a physician and surgeon.

Beneficiaries receiving in-home medical care services are entitled to the full range of services within the Medi-Cal scope of benefits as defined by this section, subject to medical necessity and applicable utilization control. Services provided pursuant to this subdivision, which are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with a home- and community-based services waiver.

(t) Home- and community-based services approved by the United States Department of Health and Human Services are covered to the extent that federal financial participation is available for those services under the

state plan or waivers granted in accordance with Section 1315 or 1396n of Title 42 of the United States Code. The director may seek waivers for any or all home- and community-based services approvable under Section 1315 or 1396n of Title 42 of the United States Code. Coverage for those services shall be limited by the terms, conditions, and duration of the federal waivers.

(u) Comprehensive perinatal services, as provided through an agreement with a health care provider designated in Section 14134.5 and meeting the standards developed by the department pursuant to Section 14134.5, subject to utilization controls.

The department shall seek any federal waivers necessary to implement the provisions of this subdivision. The provisions for which appropriate federal waivers cannot be obtained shall not be implemented. Provisions for which waivers are obtained or for which waivers are not required shall be implemented notwithstanding any inability to obtain federal waivers for the other provisions. No provision of this subdivision shall be implemented unless matching funds from Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code are available.

(v) Early and periodic screening, diagnosis, and treatment for any individual under 21 years of age is covered, consistent with the requirements of Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(w) Hospice service ~~which~~ *that* is Medicare-certified hospice service is covered, subject to utilization controls. Coverage shall be available only to the extent that no additional net program costs are incurred.

(x) When a claim for treatment provided to a beneficiary includes both services that are authorized and reimbursable under this ~~chapter~~ *chapter* and services that are not reimbursable under this ~~chapter~~ *chapter*, that portion of the claim for the treatment and services authorized and reimbursable under this chapter shall be payable.

(y) Home- and community-based services approved by the United States Department of Health and Human Services for beneficiaries with a diagnosis of AIDS or ARC, who require intermediate care or a higher level of care.

Services provided pursuant to a waiver obtained from the Secretary of the United States Department of Health and Human Services pursuant to this subdivision, and which are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with the waiver, and subject to the terms, conditions, and duration of the waiver. These services shall be provided to individual beneficiaries in accordance with the client's needs as identified in the plan of care, and subject to medical necessity and applicable utilization control.

The director ~~may~~ *may*, under this ~~section~~ *section*, contract with organizations qualified to provide, directly or by subcontract, services provided for in this subdivision to eligible beneficiaries. Contracts or agreements entered into pursuant to this division shall not be subject to the Public Contract Code.

(z) Respiratory care when provided in organized health care systems as defined in Section 3701 of the Business and Professions Code, and as an in-home medical service as outlined in subdivision (s).

(aa) (1) There is hereby established in the department, a program to provide comprehensive clinical family planning services to any person who has a family income at or below 200 percent of the federal poverty level, as revised annually, and who is eligible to receive these services pursuant to the waiver identified in paragraph (2). This program shall be known as the Family Planning, Access, Care, and Treatment (Family PACT) Program.

(2) The department shall seek a waiver in accordance with Section 1315 of Title 42 of the United States Code, or a state plan amendment adopted in accordance with Section 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United States Code, which was added to Section 1396a of Title 42 of the United States Code by Section 2303(a)(2) of the federal Patient Protection and Affordable Care Act (PPACA) (Public Law 111-148), for a program to provide comprehensive clinical family planning services as described in paragraph (8). Under the waiver, the program shall be operated only in accordance with the waiver and the statutes and regulations in paragraph (4) and subject to the terms, conditions, and duration of the waiver. Under the state plan amendment, which shall replace the waiver and shall be known as the Family PACT successor state plan amendment, the program shall be operated only in accordance with this subdivision and the statutes and regulations in paragraph (4). The state shall use the standards and processes imposed by the state on January 1, 2007, including the application of an eligibility discount factor to the extent required by the federal Centers for Medicare and Medicaid Services, for purposes of determining eligibility as permitted under Section 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United

States Code. To the extent that federal financial participation is available, the program shall continue to conduct education, outreach, enrollment, service delivery, and evaluation services as specified under the waiver. The services shall be provided under the program only if the waiver and, when applicable, the successor state plan amendment are approved by the federal Centers for Medicare and Medicaid Services and only to the extent that federal financial participation is available for the services. ~~Nothing in this section shall~~ This section does not prohibit the department from seeking the Family PACT successor state plan amendment during the operation of the waiver.

(3) Solely for the purposes of the waiver or Family PACT successor state plan amendment and notwithstanding any other law, the collection and use of an individual's social security number shall be necessary only to the extent required by federal law.

(4) Sections 14105.3 to 14105.39, inclusive, 14107.11, 24005, and 24013, and any regulations adopted under these statutes shall apply to the program provided for under this subdivision. No other provision of law under the Medi-Cal program or the State-Only Family Planning Program shall apply to the program provided for under this subdivision.

(5) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, without taking regulatory action, the provisions of the waiver after its approval by the federal Centers for Medicare and Medicaid Services and the provisions of this section by means of an all-county letter or similar instruction to providers. Thereafter, the department shall adopt regulations to implement this section and the approved waiver in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of the act adding this subdivision, the department shall provide a status report to the Legislature on a semiannual basis until regulations have been adopted.

(6) In the event that the Department of Finance determines that the program operated under the authority of the waiver described in paragraph (2) or the Family PACT successor state plan amendment is no longer cost effective, this subdivision shall become inoperative on the first day of the first month following the issuance of a 30-day notification of that determination in writing by the Department of Finance to the chairperson in each house that considers appropriations, the chairpersons of the committees, and the appropriate subcommittees in each house that considers the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

(7) If this subdivision ceases to be operative, all persons who have received or are eligible to receive comprehensive clinical family planning services pursuant to the waiver described in paragraph (2) shall receive family planning services under the Medi-Cal program pursuant to subdivision (n) if they are otherwise eligible for Medi-Cal with no share of cost, or shall receive comprehensive clinical family planning services under the program established in Division 24 (commencing with Section 24000) either if they are eligible for Medi-Cal with a share of cost or if they are otherwise eligible under Section 24003.

(8) For purposes of this subdivision, "comprehensive clinical family planning services" means the process of establishing objectives for the number and spacing of children, and selecting the means by which those objectives may be achieved. These means include a broad range of acceptable and effective methods and services to limit or enhance fertility, including contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, natural family planning, abstinence methods, and basic, limited fertility management. Comprehensive clinical family planning services include, but are not limited to, preconception counseling, maternal and fetal health counseling, general reproductive health care, including diagnosis and treatment of infections and conditions, including cancer, that threaten reproductive capability, medical family planning treatment and procedures, including supplies and followup, and informational, counseling, and educational services. Comprehensive clinical family planning services shall not include abortion, pregnancy testing solely for the purposes of referral for abortion or services ancillary to abortions, or pregnancy care that is not incident to the diagnosis of pregnancy. Comprehensive clinical family planning services shall be subject to utilization control and include all of the following:

(A) Family planning related services and male and female sterilization. Family planning services for men and women shall include emergency services and services for complications directly related to the contraceptive method, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, and followup, consultation, and referral services, as indicated, which may require treatment authorization requests.

(B) All United States Department of Agriculture, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies that are in keeping with current standards of practice and from which the individual may choose.

(C) Culturally and linguistically appropriate health education and counseling services, including informed consent, that include all of the following:

(i) Psychosocial and medical aspects of contraception.

(ii) Sexuality.

(iii) Fertility.

(iv) Pregnancy.

(v) Parenthood.

(vi) Infertility.

(vii) Reproductive health care.

(viii) Preconception and nutrition counseling.

(ix) Prevention and treatment of sexually transmitted infection.

(x) Use of contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies.

(xi) Possible contraceptive consequences and followup.

(xii) Interpersonal communication and negotiation of relationships to assist individuals and couples in effective contraceptive method use and planning families.

(D) A comprehensive health history, updated at the next periodic visit (between 11 and 24 months after initial examination) that includes a complete obstetrical history, gynecological history, contraceptive history, personal medical history, health risk factors, and family health history, including genetic or hereditary conditions.

(E) A complete physical examination on initial and subsequent periodic visits.

(F) Services, drugs, devices, and supplies deemed by the federal Centers for Medicare and Medicaid Services to be appropriate for inclusion in the program.

(G) (i) Home STD test kits for sexually transmitted diseases, including the laboratory costs of processing the kit.

(ii) For purposes of this subparagraph, "home STD test kit" means a product approved by the Food and Drug Administration for the purpose of an individual collecting specimens for STD testing in a location outside of a clinical setting and ordered directly by a clinician or furnished under a standing order based on clinical guidelines and individual patient health needs.

(9) In order to maximize the availability of federal financial participation under this subdivision, the director shall have the discretion to implement the Family PACT successor state plan amendment retroactively to July 1, 2010.

(ab) (1) Purchase of prescribed enteral nutrition products is covered, subject to the Medi-Cal list of enteral nutrition products and utilization controls.

(2) Purchase of enteral nutrition products is limited to those products to be administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube. Beneficiaries under the Early and Periodic Screening, Diagnosis, and Treatment Program shall be exempt from this paragraph.

(3) Notwithstanding paragraph (2), the department may deem an enteral nutrition product, not administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube, a benefit for patients with diagnoses, including, but not limited to, malabsorption and inborn errors of metabolism, if the product has been shown to be neither investigational nor experimental when used as part of a therapeutic regimen to prevent serious disability or death.

(4) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement the amendments to this subdivision made by the act that added this paragraph by means of all-county letters, provider bulletins, or similar instructions, without taking regulatory action.

(5) The amendments made to this subdivision by the act that added this paragraph shall be implemented June 1, 2011, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(ac) Diabetic testing supplies are covered when provided by a pharmacy, subject to utilization controls.

(ad) (1) Nonmedical transportation is covered, subject to utilization controls and permissible time and distance standards, for a beneficiary to obtain covered Medi-Cal services.

(2) (A) (i) Nonmedical transportation includes, at a minimum, round trip transportation for a beneficiary to obtain covered Medi-Cal services by passenger car, taxicab, or any other form of public or private conveyance, and mileage reimbursement when conveyance is in a private vehicle arranged by the beneficiary and not through a transportation broker, bus passes, taxi vouchers, or train tickets.

(ii) Nonmedical transportation does not include the transportation of sick, injured, invalid, convalescent, infirm, or otherwise incapacitated beneficiaries by ambulances, litter vans, or wheelchair vans licensed, operated, and equipped in accordance with state and local statutes, ordinances, or regulations.

(B) Nonmedical transportation shall be provided for a beneficiary who can attest in a manner to be specified by the department that other currently available resources have been reasonably exhausted. For beneficiaries enrolled in a managed care plan, nonmedical transportation shall be provided by the beneficiary's managed care plan. For Medi-Cal fee-for-service beneficiaries, the department shall provide nonmedical transportation when those services are not available to the beneficiary under Sections 14132.44 and 14132.47.

(3) Nonmedical transportation shall be provided in a form and manner that is accessible, in terms of physical and geographic accessibility, for the beneficiary and consistent with applicable state and federal disability rights laws.

(4) It is the intent of the Legislature in enacting this subdivision to affirm the requirement under Section 431.53 of Title 42 of the Code of Federal Regulations, in which the department is required to provide necessary transportation, including nonmedical transportation, for recipients to and from covered services. This subdivision shall not be interpreted to add a new benefit to the Medi-Cal program.

(5) The department shall seek any federal approvals that may be required to implement this subdivision, including, but not limited to, approval of revisions to the existing state plan that the department determines are necessary to implement this subdivision.

(6) This subdivision shall be implemented only to the extent that federal financial participation is available and not otherwise jeopardized, and any necessary federal approvals have been obtained.

(7) Prior to the effective date of any necessary federal approvals, nonmedical transportation was not a Medi-Cal managed care benefit with the exception of when provided as an Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) service.

(8) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, shall implement, interpret, or make specific this subdivision by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until the time regulations are adopted. By July 1, 2018, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing January 1, 2018, and notwithstanding Section 10231.5 of the Government Code, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

(9) This subdivision shall not be implemented until July 1, 2017.

SEC. 10. Section 24007 of the Welfare and Institutions Code is amended to read:

24007. (a) The department shall determine the scope of benefits for the program, which shall include, but is not limited to, the following:

(1) Family planning related services and male and female sterilization. Family planning services for men and women include emergency and complication services directly related to the contraceptive method and followup, consultation and referral services, as indicated, ~~which~~ *that* may require treatment authorization requests.

(2) All United States Department of Health and Human Services, Federal Drug Administration-approved birth control methods, devices, and supplies that are in keeping with current standards of practice and from which the individual may choose.

(3) Culturally and linguistically appropriate health education and counseling services, including informed consent; psychosocial and medical aspects of contraception, sexuality, fertility, pregnancy, and parenthood; infertility; reproductive health care; preconceptual and nutrition counseling; prevention and treatment of sexually transmitted infection; use of contraceptive methods, devices, and supplies; possible contraceptive consequences and followup; interpersonal communication and negotiation of relationships to assist individuals and couples in effective contraceptive method use and planning families.

(4) A comprehensive health history, updated at next periodic visit (between 11 and 24 months after initial examination) that includes a complete obstetrical history, gynecological history, contraceptive history, personal medical history, health risk factors, and family health history, including genetic or hereditary conditions.

(5) A complete physical examination on initial and subsequent periodic visits.

(6) (A) Home STD test kits for sexually transmitted diseases, including the laboratory costs of processing the kit.

(B) For purposes of this paragraph, "home STD test kit" means a product approved by the United States Food and Drug Administration for the purpose of an individual collecting specimens for STD testing in a location outside of a clinical setting and ordered directly by a clinician or furnished under a standing order based on clinical guidelines and individual patient health needs.

(b) Benefits under this program shall be effective in 30 days after notice to providers, but not sooner than January 1, 1997.

SEC. 11. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.