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PIN 23-04-HCS

TO: HOME CARE ORGANIZATION LICENSEES

FROM: *Original signed by Kevin Gaines*
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SUBJECT: **2023 CHAPTERED LEGISLATION AFFECTING HOME CARE
ORGANIZATIONS: SUMMARY AND IMPLEMENTATION**

Provider Information Notice (PIN) Summary

PIN 23-04-HCS provides a summary of and implementation information for legislation chaptered in 2023 affecting licensed Home Care Organizations. The changes to the statutes referenced in this PIN became operative on July 10, 2023.

[Assembly Bill \(AB\) 120](#) (2023-24) was chaptered into California state law on July 10, 2023, and provides statutory amendments to Sections 1796.37, 1796.47, and 1796.49, and an addition to Sections 1796.18, and 1796.54 of the Health and Safety Code, relating to program operations and funding for home care services.

ACTION REQUIRED

The following implementation information requires action by Home Care Organization (HCO) licensees. Licensees should be aware that beginning July 10, 2023, the California Department of Social Services (Department), Community Care Licensing

Division (CCLD) may use any of the oversight and compliance activities currently available to ensure compliance with the statutes below.

[Assembly Bill \(AB\) 120 \(Human Services\), Chapter 43, Statutes of 2023](#)

Note: Applies to HCOs

HCO License Renewal (Amendments to Health and Safety Code Section 1796.37)

AB 120 amends Subdivisions (a)(4) and (b), of Section 1796.37 of the Health and Safety Code, relating to HCO license renewal procedures. At renewal, an HCO licensee is no longer required to submit the following documentation:

- Form HCS 200: Application for a Home Care Organization License
- Proof of general and professional liability insurance
- Proof of a valid workers' compensation policy
- Proof of an employee dishonesty bond

HCO License Renewal Expiration or Denial (Amendments to Health and Safety Code Section 1796.37)

AB 120 amends Subdivision (b), of Section 1796.37 of the Health and Safety Code to require that an HCO license expire after two years if it is not renewed by the licensee.

Subdivision (b)(4), of Section 1796.37 of the Health and Safety Code was also amended by AB 120. Previously, a licensee's failure to cooperate with the Department during the HCO license renewal process resulted in a withdrawal of the HCO license renewal application. Amendments to Subdivision (b)(4) state the failure of the HCO licensee to cooperate with the renewal process may result in the expiration of the HCO license or a denial of the HCO license renewal.

Exclusion and Immediate Exclusion (Addition of Health and Safety Code Sections 1796.18 and 1796.54)

AB 120 adds Sections 1796.18 and 1796.54 to the Health and Safety Code, authorizing the Department to exclude an individual from the HCA Registry; or from serving as a member of the board of directors or governing body, an executive director, an officer, or

from being a licensee of an HCO, as applicable; if the individual has violated an applicable law or engaged in specified conduct.

The Department may also prohibit a licensee from employing or continuing to employ an individual or allowing them to volunteer at a home care organization if there is contact with clients, prospective clients, or confidential client information, if the individual has violated an applicable law or engaged in specified conduct.

These additions also provide the Department with the authority to immediately exclude an individual when there is an “immediate risk of physical or mental abuse, abandonment, or any other substantial threat to their health or safety.”

Health and Safety Code sections 1796.18 and 1796.54 establish appeal procedures for the excluded individual.

General Fund Money (Amendments to Health and Safety Code Section 1796.47)

AB 120 amends Subdivision (a)(3), of Section 1796.47 of the Health and Safety Code to authorize the Department to use General Fund money to administer the Home Care Services Consumer Protection Act, as appropriated in the Budget Act of 2023 and the Budget Act of 2024.

Solvency Report to the Legislature (Amendments to Health and Safety Code Section 1796.47)

AB 120 amends Subdivision (d), of Section 1796.47 of the Health and Safety Code to require the Department to submit a report to the Legislature, no later than January 10, 2025, to provide the following updates:

- The solvency of the Home Care Fund, including any new resources
- Recommendations on a new fee structure that allows the program to be self-sustaining, or request any additional resource needs

Quarterly Written Progress Updates (Amendments to Health and Safety Code Section 1796.47)

AB 120 amends Subdivision (e), of Section 1796.47 of the Health and Safety Code, which creates a reporting requirement for the Department. Beginning January 1, 2024, the Department must provide quarterly written progress updates to the relevant legislative budget subcommittees and the Legislative Analyst's Office to facilitate the Legislature's oversight of the Department's progress within the home care program. The updates include:

- Staffing
- Licensing, investigations, enforcement, and oversight, including up-to-date workload metrics, including all of the following:
 - HCAs, including the number of applications received and processed, including new applications and renewals, and the average processing time
 - HCOs, including the number of applications received and processed, including new applications and renewals, and the average processing time
 - HCO visits, including the number of visits completed
 - Complaints, including the number received, investigated, and descriptions of the most common types of complaints
 - Businesses providing unlicensed home care services, including a description of any enforcement actions taken against businesses, and the estimated number continuing to operate
- Fee structure review, including progress toward assessing the home care licensing fee structure and identifying any new resources that would facilitate the sustainability of the Home Care Fund

Regulations and Inspections (Addition of Section 29 (Stats. 2023, ch. 43, sec. 29.))

AB 120 added Section 29 (Stats. 2023, ch. 43, sec 29.). which requires the Department to adopt regulations on or before January 1, 2026, to require biennial inspections to ensure HCOs compliance with the AB 120 amendments to Subdivision (b), of Section 1796.37 of the Health and Safety Code.

If you have any questions, please contact the [Home Care Services Branch](#).