PURPOSE

The purpose of this manual item is to describe the policy and procedure to follow when evaluating the licensee’s compliance during the term of the license/certification period to facilitate making a decision regarding the renewal.

LEGAL BASE

Act 218

Adult Foster Care

400.711 provides the department the authority to conduct an on-site inspection.

400.713(1), (2), (3), (4), (5) requires the department to investigate the activities and standards of care of the applicant and to conduct an on-site inspection before issuing or renewing a license.

400.713 (14) requires the department to issue or renew a license not later than 6 months after receipt of a complete application and notification to the applicant of deficiencies within 30 days of receipt of the incomplete application.

400.713 (16) requires the department to refund the application fee and reduce the applicant’s next application fee by 15% if renewal is not completed within the required time frame.

400.713 (19) a completed application means submission of a complete application form, fees paid, and all other required information records, approvals, security, or license requirement but does not include the fire safety or environmental health inspection reports.

Congregate Facilities

400.727(1) (2) (c) specifies materials that must be posted for public inspection.
Act 368
Home for the Aged

333.20155 requires unannounced inspections, provides access to facility records and documents, and requires annual inspections.

ACT 258
Certification of Specialized Programs

333.20156 provides for entry of the premises at any time.

330.1153(3) provides for at least biennial inspections.

Public Act 306
Michigan Administrative Procedures Act-

24.291(2) provides that when a licensee makes timely and sufficient application for renewal of a license the existing license does not expire until a decision on the application is finally made by the agency.

POLICY

Renewal applications are to be processed within mandated timeframes.

During the License/Certification Renewal process, regulatory staff are to:

1. Evaluate licensee compliance.

2. Provide technical assistance when requested to assist licensee to achieve compliance.

3. Provide consultation upon request to improve the level of service provided beyond the minimum requirements.

4. Enter all contacts, inspections and related renewal licensure events into the computer database in a timely manner.
Licensing Unit

PROCEDURES

Adult Foster Care

1. Renewal license packets are to be mailed no less than 90 days prior to the expiration of the license.

An expiration letter will be automatically generated and mailed to the licensee by Central Office if an application and fee have not been received 45-60 days prior to the expiration date. (See Manual Item 280.)

NOTE: In the computer database, do not line reference the “Renewal Packet Sent” event until after the application and fee are received. Entries can be made without the line reference number. Line referencing to the “Renewal Packet Sent” event will prevent the expiration letter from being sent when no application has been received by the expiration date.

2. An environmental health inspection request is generated and documented on the licensing data system at the time the renewal packet is sent for the following types of facilities (See Manual Item 545):

   a. All AFC’s of 7 beds or more

   b. All Small Group AFC’s of 6 or less with private water and/or sewage.

   c. County Infirmaries

3. Applications received without a fee will be forwarded by the Cashier’s Office to the Licensing Unit. The Licensing Unit will send an Incomplete Application Letter to the licensee requesting that the fee be submitted. The Licensing Unit will record that the application was received and the Incomplete Application Letter was sent using the licensing computer system. The Licensing Unit will then forward the application and a copy of the Incomplete Application Letter to the local field office.
FIELD OFFICE

Renewal inspections are to be prioritized according to Prioritization of Workload instructions contained in AFC/HFA Manual Item 100.

Note: In the computer database, do not line reference the “Renewal Packet Sent” event until after the application and fee are received. Event entries can be made without the line reference number. Line referencing to the “Renewal Packet Sent” event prevents the expiration letter from being sent when no application has been received by the expiration date.

1. When application materials are received:
   
a. Date stamp materials received.
   
b. Enter “Application Received” on the licensing computer system.
   
c. Enter “Fee Received” if the cashier’s office has noted on the application that the fee was paid. (If the application was submitted without a fee, the Licensing Unit will enter the “Application Received” event and will send the Incomplete Application Letter. The consultant should enter the “Fee Received” event when documentation of payment is received.)
   
d. Check the application for completeness and accuracy.
   
e. Confirm that the licensee/licensee designee and administrator named on the application are consistent with the information on the computer database.
   
f. Review application materials submitted to assure that the information on the application is consistent with the information entered on the database. Correct any inconsistencies.
   
g. If there is a change of licensee designee or administrator, all required documentation needs to be obtained and approved and appropriate entries/updates made.
The consultant is to confirm that environmental health and fire safety inspections have been requested and entered on the computer. If the environmental request has not been made, then the consultant is to do so. If the fire safety request has not been made, the licensing consultant is to notify their area manager who will contact the Bureau of Fire Safety.

Unless all other required documentation has already been received, send an Incomplete Application Letter to the applicant indicating what action or documents are needed within 30 days of receipt of the incomplete application. Enter “Application Incomplete Letter Sent” event on the licensing data system.

NOTE: Licensees are required to submit, in writing, any changes in information previously submitted.

2. If the renewal is overdue and the application materials have been submitted in a timely manner, Central Office Licensing Unit will send an “extension letter” to the licensee.

3. Obtain copy of BFS fire safety inspection report for all AFC’s of 7 or more and county infirmaries. A fire safety report with an “A” rating, or a “B” rating with an acceptable corrective action plan, is required prior to issuance of the renewal license. Record receipt of the fire safety report on the computer database. (Refer to Manual Item 535). Fire Safety inspections reports must be less than a year old.

4. Obtain a copy of the local environmental health inspection report for all facilities of 7 or more and group homes of 6 or less that have private water and/or sewer. Record receipt of the environmental report on the computer database And submit a signed request for payment to Central Office.

NOTE: An environmental health report with an “A” rating, or a “B” rating with an acceptable CAP, is required prior to issuance of renewal license. A renewal license may be issued with an environmental health report with a “C” rating only with an Area Manager approval. (Refer to Manual Item 545.)
5. Conduct a review of the required financial documents. (Refer to Manual Item 530.)

6. Prior to the on-site inspection, consultants are to:

   a. Review the field file for items that require follow-up:
      i. Incident reports
      ii. Exclusionary Notices (Refer to Manual Item 515)

   b. Print a summary sheet from the computer database. Use the sheet during the inspection to confirm the identified licensee and administrator.

   c. Review the summary sheet for previously cited violations pending disciplinary action or open special investigations that require follow-up:
      i. The last renewal inspection and any associated corrective active plans (CAP) and notice of findings (NOF).
      ii. Special investigations conducted since the last renewal inspection and any associated CAP and NOF.

   d. If the AFC facility is currently licensed as a children’s foster family home, group home or child caring institution of 6 or less, the consultant will coordinate the renewal with the child placing agency (foster family or group home) or assigned Child Welfare Licensing Consultant (child caring institution). (Refer to Manual Item 225.)

Note: If there is an open special investigation, a renewal inspection may be conducted if it does not interfere with the investigation. See Manual Item 270 regarding inspections to be conducted pending Disciplinary actions.

7. Conduct the renewal on-site inspection after receipt of the application and verification of payment. The inspection is to be conducted according to the renewal inspection procedures outlined in Manual Item 265).

NOTE: Use the AFC/HFA Key Indicator Reference Sheets
located at S/BFS/BFSTemplates/AFCHFA/Key Indicator Reference Sheets as a tool for assisting with the renewal inspection.

8. Conduct an exit conference with the licensee or their designee to review findings. Exit conferences may be conducted by telephone.

**NOTE:** The licensee designee must be identified in writing by the board of directors or equivalent or limited liability company members.

a. If violations are cited, obtain a corrective action plan, signed by the licensee or licensee designee, at the exit conference, if possible. Enter “Corrective Action Plan Requested” on the licensing computer system. (Refer to Manual Item 510 regarding corrective action plans and the event sheets on the shared drive at brs/bfs events).

b. If a corrective action plan is necessary and could not be obtained at the exit conference, the licensing consultant is to write a renewal LSR within 10 business days after the onsite inspection transmitting the findings of the inspection and requesting the corrective action plan.

9. Follow-up inspections for renewals are only to be conducted if regulatory staff determines that outstanding violations would place residents at risk.

**NOTE:** The consultant will enter the event “BFS Inspection Due” on the computer system when the consultant has determined that a follow-up inspection is needed.

10. Determine the license action to be taken:

a. **Issuance of a regular license** – Determination of full compliance or substantial compliance and the receipt of an approved corrective
action plan. For low-risk or minor quality of care or physical plant rule violations, compliance is to be determined based on receipt of an acceptable corrective action plan. Then:

i. Review application materials submitted to assure that the information on the application is consistent with the information entered on the computer system. Correct any inconsistencies.

ii. If there is a change of licensee designee or administrator, all required documentation needs to be obtained and approved and appropriate entries/updates made.

iii. Enter the required renewal transactions on the computer system, including receipt and approval of acceptable corrective action plan, if needed. (Refer to Event Sheets on the shard drive: bfs/bfs events).

iv. Issue renewal license and generate renewal licensing study report (LSR). The consultant is to document in the Renewal LSR that the licensee has a process in place for determining the good moral character of employees, and that the licensee is in compliance with those rules related to the handling and accounting of resident funds. (Refer to Attachment 230A)

v. If the renewal license has not been issued within the requirements of Section 400.713, the application fee will be automatically returned by Central Office and the next renewal application fee will be reduced by 15%. This is accomplished by BCAL Central Office refunding the next renewal fee by 15% after it has been paid.

b. Issuance of a provisional license - Refer to Manual Item 240 - Provisional License Issuance for specific policy and procedures.

Note: If there have been no residents in care during the temporary license period, a determination of compliance with the quality of care rules cannot be made, therefore, a regular license cannot be issued. The license must be renewed to a first provisional license.

c. Refusal to renew - Refer to Manual Item 400 - Disciplinary
Actions for policy and procedures.

d. **Return of the license** - Refer to Manual Item 280 - Voluntary Closures.

e. **License expires** - Refer to Manual Item 280 - Voluntary Closures.

f. **Administrative Closures** - Refer to Manual Item 285

**Certification of Specialized Programs**

No renewal application is required to be submitted for the renewal of a certification of a specialized program. For the renewal of a certification to provide specialized programs, the licensing consultant will:

1. Run the renewal reminder report to determine which facilities are due for renewal.

2. Check the computer database for pending disciplinary action or open special investigations. The certification inspection is not to be conducted until the issues are resolved.


4. Conduct an on-site inspection to determine compliance.

5. Conduct the certification renewal inspection at the time of the license renewal inspection unless the certification expires more than 6 months prior to the expiration of the AFC license. If the certification renewal is done at the time of license renewal, the findings can be combined in the LSR.

6. Conduct an exit conference with the licensee or their designee to review findings.

   a. If violations are cited, obtain a corrective action plan, signed by the licensee or licensee designee, at the exit conference, if possible. (See Manual Item 510 regarding corrective action plans.)

   b. If a corrective action plan is necessary and could not be obtained at the exit conference, the licensing consultant is to write a renewal
LSR transmitting the inspection and requesting the corrective action plan.

7. Determine the action to be taken:

   a. **Issuance of a regular certification** - Determination of full compliance or substantial compliance and the receipt of an approved corrective action plan.

      **THEN:**

      i. Enter the required renewal transactions on the computer system, including receipt and approval of an acceptable corrective action plan, if needed. The certification expiration date is to coincide with the license expiration date.

      ii. Issue the renewal certification and generate the renewal certification study report. If certification is renewed concurrently with the license, the findings can be combined in the LSR.

      **NOTE:** If this is the first regular certification issued from a temporary certification, an original certification study report must be completed.


   c. **Refusal to renew** – Refer to Manual Item 400 Disciplinary Actions for policies and procedure.

   d. **Voluntary closure of certification** – Refer to Manual Item 280 for specific policies and procedures.

      A voluntary closure may occur when:

      • Licensee no longer wishes to provide a specialized program.
      • There is a voluntary closure of the AFC license.
      • No specialized program is being provided.

   e. **Administrative closures** – when a licensee wishes to terminate their certification in lieu of disciplinary action, refer to Manual Item 285,
Administrative Closures for policy and procedures.

No application is required to be submitted for the renewal of an HFA. The Licensing Unit will send out the HFA invoice no less than 90 days prior to permit/license expiration. Licensing staff will:

1. Enter all contacts, inspections, and renewal related events on the computer database in a timely manner.

2. Receive HFA invoice fee payment and record receipt on the computer database. See Manual Item 600.

3. Obtain and document receipt of a copy of the current BFS fire safety inspection report. A BFS inspection report no older than 12 months must be obtained prior to renewal issuance.

NOTE: Local public health authorities will conduct routine evaluations of home for the aged facilities that have a private, Type 1 water supply and on-site sewage disposal system, to ensure compliance with applicable state regulations. Licensing staff may obtain a copy of the inspection report either from the facility or from the local public health authority.

4. Prior to the on-site inspection, licensing staff are to:

   a. Review the field file for items that require follow-up.
      i. Incident reports
      ii. Exclusionary Notices (Refer to Manual Item 515)

   b. Print a summary sheet from the computer database.

   c. Review the summary sheet for previously cited violations, pending disciplinary action or open special investigations that require follow-up:
      i. The last renewal inspection and any associated corrective active plans (CAP) and notice of findings (NOF).
      ii. Special investigations conducted since the last renewal
inspection and any associated CAP and NOF.

d. The original facility certification documents are to remain in the active facility field file instead of being maintained in the closed file whenever there has been a change in ownership.

Note: If there is an open special investigation a renewal inspection may be conducted if it does not interfere with the investigation. (See Manual Item 265) See Manual Item 270 regarding inspections to be conducted pending disciplinary actions.

5. Conduct an **unannounced** on-site inspection. The onsite inspection is to be conducted according to the procedures outlined in AFC/HFA Manual Item 265, “Renewal Inspections”.

**NOTE:** Use the AFC/HFA Key Indicator Reference Sheets located at S/BFS/BFSTemplates/AFCHFA/Key Indicator Reference Sheets as a tool for assisting with the renewal inspection.

6. During the on-site inspection, licensing staff are to determine who is the current authorized representative. If there has been a change in the authorized representative, licensing staff are to request that the licensee submit a new “Certificate of Appointment of Authorized Representative” form.

7. Offer to conduct an exit conference with the licensee or their authorized representative to review findings.

   a. If violations are cited, obtain a corrective action plan at the exit conference, if possible, signed by the licensee or the authorized representative. (See Manual Items 510 and 600.) Technical assistance is to be provided to assist the licensee with achieving compliance.

   b. If a corrective action plan is necessary and could not be obtained at the exit conference, licensing staff are to write a renewal LSR transmitting the inspection findings and requesting a corrective action plan. (See Manual items 510 and 600.)
8. Follow-up inspections for renewals are only to be conducted if regulatory staff determines that outstanding violation would place residents at risk.

**NOTE:** The consultant will enter the event “BFS Inspection Due” on the computer system when the consultant has determined that a follow-up inspection is needed.

9. Determine the licensing action to be taken:

   **a. Issuance of a regular license** - Determination of full compliance or substantial compliance and the receipt of an approved corrective action plan. Please refer to Manual Item 510 for specific policy regarding corrective action plans.
   
   i. Check the computer database to assure that the information on the database is consistent with the information obtained at the renewal inspection. Correct any inconsistencies.
   
   ii. Enter the required renewal transactions on the computer system, including receipt and approval of acceptable corrective action plan, if needed. See Manual Item 600.
   
   iii. Issue renewal license and generate renewal licensing study report.
   
   iv. Distribute renewal licensing study report, as appropriate. See Appendix Item 110.

   **b. Refusal to renew** - Refer to Manual Item 400 - Disciplinary Actions for policy and procedures.

   a. **Return of the license/Permit** - Refer to Manual Item 280 – License Closures for policy and procedures.