

As Amended by Senate Committee

Session of 2019

SENATE BILL No. 232

By Committee on Ways and Means

3-18

1 AN ACT concerning adult care homes; relating to licensure; receivership;
2 financial solvency; amending K.S.A. 39-955, 39-956, 39-957 and 39-
3 959 and K.S.A. 2018 Supp. 39-923, 39-927, 39-931, 39-931a, 39-958,
4 39-960, 39-961 and 39-963 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2018 Supp. 39-923 is hereby amended to read as
8 follows: 39-923. (a) As used in this act:

9 (1) "Adult care home" means any nursing facility, nursing facility for
10 mental health, intermediate care facility for people with intellectual
11 disability, assisted living facility, residential healthcare facility, home plus,
12 boarding care home and adult day care facility; all of which are
13 classifications of adult care homes and are required to be licensed by the
14 secretary for aging and disability services.

15 (2) "Nursing facility" means any place or facility operating 24 hours a
16 day, seven days a week, caring for six or more individuals not related
17 within the third degree of relationship to the administrator or owner by
18 blood or marriage and who, due to functional impairments, need skilled
19 nursing care to compensate for activities of daily living limitations.

20 (3) "Nursing facility for mental health" means any place or facility
21 operating 24 hours a day, seven days a week, caring for six or more
22 individuals not related within the third degree of relationship to the
23 administrator or owner by blood or marriage and who, due to functional
24 impairments, need skilled nursing care and special mental health services
25 to compensate for activities of daily living limitations.

26 (4) "Intermediate care facility for people with intellectual disability"
27 means any place or facility operating 24 hours a day, seven days a week,
28 caring for four or more individuals not related within the third degree of
29 relationship to the administrator or owner by blood or marriage and who,
30 due to functional impairments caused by intellectual disability or related
31 conditions, need services to compensate for activities of daily living
32 limitations.

33 (5) "Assisted living facility" means any place or facility caring for six
34 or more individuals not related within the third degree of relationship to

1 the administrator, operator or owner by blood or marriage and who, by
2 choice or due to functional impairments, may need personal care and may
3 need supervised nursing care to compensate for activities of daily living
4 limitations and in which the place or facility includes apartments for
5 residents and provides or coordinates a range of services including
6 personal care or supervised nursing care available 24 hours a day, seven
7 days a week, for the support of resident independence. The provision of
8 skilled nursing procedures to a resident in an assisted living facility is not
9 prohibited by this act. Generally, the skilled services provided in an
10 assisted living facility shall be provided on an intermittent or limited term
11 basis, or if limited in scope, a regular basis.

12 (6) "Residential healthcare facility" means any place or facility, or a
13 contiguous portion of a place or facility, caring for six or more individuals
14 not related within the third degree of relationship to the administrator,
15 operator or owner by blood or marriage and who, by choice or due to
16 functional impairments, may need personal care and may need supervised
17 nursing care to compensate for activities of daily living limitations and in
18 which the place or facility includes individual living units and provides or
19 coordinates personal care or supervised nursing care available on a 24-
20 hour, seven-days-a-week basis for the support of resident independence.
21 The provision of skilled nursing procedures to a resident in a residential
22 healthcare facility is not prohibited by this act. Generally, the skilled
23 services provided in a residential healthcare facility shall be provided on
24 an intermittent or limited term basis, or if limited in scope, a regular basis.

25 (7) "Home plus" means any residence or facility caring for not more
26 than 12 individuals not related within the third degree of relationship to the
27 operator or owner by blood or marriage unless the resident in need of care
28 is approved for placement by the secretary for children and families, and
29 who, due to functional impairment, needs personal care and may need
30 supervised nursing care to compensate for activities of daily living
31 limitations. The level of care provided to residents shall be determined by
32 preparation of the staff and rules and regulations developed by the Kansas
33 department for aging and disability services. An adult care home may
34 convert a portion of one wing of the facility to a not less than five-bed and
35 not more than 12-bed home plus facility provided that the home plus
36 facility remains separate from the adult care home, and each facility must
37 remain contiguous. Any home plus that provides care for more than eight
38 individuals after the effective date of this act shall adjust staffing personnel
39 and resources as necessary to meet residents' needs in order to maintain the
40 current level of nursing care standards. Personnel of any home plus who
41 provide services for residents with dementia shall be required to take
42 annual dementia care training.

43 (8) "Boarding care home" means any place or facility operating 24

1 hours a day, seven days a week, caring for not more than 10 individuals
2 not related within the third degree of relationship to the operator or owner
3 by blood or marriage and who, due to functional impairment, need
4 supervision of activities of daily living but who are ambulatory and
5 essentially capable of managing their own care and affairs.

6 (9) "Adult day care" means any place or facility operating less than
7 24 hours a day caring for individuals not related within the third degree of
8 relationship to the operator or owner by blood or marriage and who, due to
9 functional impairment, need supervision of or assistance with activities of
10 daily living.

11 (10) "Place or facility" means a building or any one or more complete
12 floors of a building, or any one or more complete wings of a building, or
13 any one or more complete wings and one or more complete floors of a
14 building, and the term "place or facility" may include multiple buildings.

15 (11) "Skilled nursing care" means services performed by or under the
16 immediate supervision of a registered professional nurse and additional
17 licensed nursing personnel. Skilled nursing includes administration of
18 medications and treatments as prescribed by a licensed physician or
19 dentist; and other nursing functions ~~which~~ *that* require substantial nursing
20 judgment and skill based on the knowledge and application of scientific
21 principles.

22 (12) "Supervised nursing care" means services provided by or under
23 the guidance of a licensed nurse with initial direction for nursing
24 procedures and periodic inspection of the actual act of accomplishing the
25 procedures; administration of medications and treatments as prescribed by
26 a licensed physician or dentist and assistance of residents with the
27 performance of activities of daily living.

28 (13) "Resident" means all individuals kept, cared for, treated, boarded
29 or otherwise accommodated in any adult care home.

30 (14) "Person" means any individual, firm, partnership, corporation,
31 company, association or joint-stock association, and the legal successor
32 thereof.

33 (15) "Operate an adult care home" means to own, lease, *sublease*,
34 establish, maintain, conduct the affairs of or manage an adult care home,
35 except that for the purposes of this definition the word "own" and the word
36 "lease" shall not include hospital districts, cities and counties ~~which~~ *that*
37 hold title to an adult care home purchased or constructed through the sale
38 of bonds.

39 (16) "Licensing agency" means the secretary for aging and disability
40 services.

41 (17) "Skilled nursing home" means a nursing facility.

42 (18) "Intermediate nursing care home" means a nursing facility.

43 (19) "Apartment" means a private unit ~~which~~ *that* includes, but is not

1 limited to, a toilet room with bathing facilities, a kitchen, sleeping, living
2 and storage area and a lockable door.

3 (20) "Individual living unit" means a private unit ~~which~~ *that* includes,
4 but is not limited to, a toilet room with bathing facilities, sleeping, living
5 and storage area and a lockable door.

6 (21) "Operator" means an individual registered pursuant to the
7 operator registration act, K.S.A. 2018 Supp. 39-973 et seq., and
8 amendments thereto, who may be appointed by a licensee to have the
9 authority and responsibility to oversee an assisted living facility or
10 residential healthcare facility with fewer than 61 residents, a home plus or
11 adult day care facility.

12 (22) "Activities of daily living" means those personal, functional
13 activities required by an individual for continued well-being, including,
14 but not limited to, eating, nutrition, dressing, personal hygiene, mobility
15 and toileting.

16 (23) "Personal care" means care provided by staff to assist an
17 individual with, or to perform activities of daily living.

18 (24) "Functional impairment" means an individual has experienced a
19 decline in physical, mental and psychosocial well-being and as a result, is
20 unable to compensate for the effects of the decline.

21 (25) "Kitchen" means a food preparation area that includes a sink,
22 refrigerator and a microwave oven or stove.

23 (26) The term "intermediate personal care home" for purposes of
24 those individuals applying for or receiving veterans' benefits means
25 residential healthcare facility.

26 (27) "Paid nutrition assistant" means an individual who is paid to feed
27 residents of an adult care home, or who is used under an arrangement with
28 another agency or organization, who is trained by a person meeting nurse
29 aide instructor qualifications as prescribed by 42 C.F.R. § 483.152, 42
30 C.F.R. § 483.160 and 42 C.F.R. § 483.35(h), and who provides such
31 assistance under the supervision of a registered professional or licensed
32 practical nurse.

33 (28) "Medicaid program" means the Kansas program of medical
34 assistance for which federal or state moneys, or any combination thereof,
35 are expended, or any successor federal or state, or both, health insurance
36 program or waiver granted thereunder.

37 (29) "Licensee" means any person or persons acting jointly or
38 severally who are licensed by the secretary for aging and disability
39 services pursuant to the adult care home licensure act, K.S.A. 39-923 et
40 seq., and amendments thereto.

41 (30) *"Insolvent" means that the adult care home, or any individual or*
42 *entity that operates an adult care home or appears on the adult care home*
43 *license, has liabilities that **substantially** exceed the value of the adult care*

1 ~~home's, individual's or entity's assets, has stopped paying debts in the~~
2 ~~ordinary course of business or is unable to pay debts as they come due in~~
3 ~~the ordinary course of business.~~

4 (b) The term "adult care home" ~~shall~~ does not include institutions
5 operated by federal or state governments, except institutions operated by
6 the director of the Kansas commission on veterans affairs office, hospitals
7 or institutions for the treatment and care of psychiatric patients, child care
8 facilities, maternity centers, hotels, offices of physicians or hospices ~~which~~
9 ~~that~~ are certified to participate in the medicare program under ~~42-code of~~
10 ~~federal regulations, chapter IV, C.F.R. § 418.1 et seq., and amendments~~
11 ~~thereto, and which that~~ provide services only to hospice patients, or
12 centers approved by the centers for medicare and medicaid services as a
13 program for all-inclusive care for the elderly (PACE) under ~~42-code of~~
14 ~~federal regulations, chapter IV, part C.F.R. § 460 et seq., and amendments~~
15 ~~thereto, which that~~ provides services only to PACE participants.

16 (c) Nursing facilities in existence on the effective date of this act
17 changing licensure categories to become residential healthcare facilities
18 shall be required to provide private bathing facilities in a minimum of 20%
19 of the individual living units.

20 (d) Facilities licensed under the adult care home licensure act on the
21 day immediately preceding the effective date of this act shall continue to
22 be licensed facilities until the annual renewal date of such license and may
23 renew such license in the appropriate licensure category under the adult
24 care home licensure act subject to the payment of fees and other conditions
25 and limitations of such act.

26 (e) Nursing facilities with less than 60 beds converting a portion of
27 the facility to residential healthcare shall have the option of licensing for
28 residential healthcare for less than six individuals but not less than 10% of
29 the total bed count within a contiguous portion of the facility.

30 (f) The licensing agency may by rule and regulation change the name
31 of the different classes of homes when necessary to avoid confusion in
32 terminology and the agency may further amend, substitute, change and in a
33 manner consistent with the definitions established in this section, further
34 define and identify the specific acts and services ~~which that~~ shall fall
35 within the respective categories of facilities so long as the above categories
36 for adult care homes are used as guidelines to define and identify the
37 specific acts.

38 Sec. 2. K.S.A. 2018 Supp. 39-927 is hereby amended to read as
39 follows: 39-927. (a) An application for a license to operate an adult care
40 home shall be made in writing to the licensing agency upon forms
41 provided by ~~it~~ the licensing agency and shall be in such form and shall
42 contain such information as the licensing agency shall require, ~~which may~~
43 ~~include~~ if applicable:

1 (1) *A detailed projected budget for the first 12 months of operation,*
2 *prepared in accordance with generally accepted accounting principles and*
3 *certified by the principal officer of the applicant, accompanied by*
4 *evidence of access to a sufficient amount of working capital required to*
5 *operate the adult care home in accordance with the budget, in the form of*
6 *cash on deposit, a line of credit, applicant's equity, or any combination*
7 *thereof;*

8 (2) *a list of each current or previously licensed facility in Kansas or*
9 *any other state, territory or country or the District of Columbia in which*
10 *the applicant has or previously had any percentage of ownership in the*
11 *operations or the real property of the facility; and*

12 (3) *affirmative evidence of the applicant's ability to comply with such*
13 *reasonable standards and rules and regulations as are adopted under the*
14 *provisions of this act.*

15 (b) *The application shall be signed by the person or persons seeking*
16 *to operate an adult care home, as specified by the licensing agency, or by a*
17 *duly authorized agent of any person so specified.*

18 (c) *Any nonprofit corporation operating a nursing facility for people*
19 *with intellectual disability—~~which~~ that, on the effective date of this act,*
20 *includes more than one residential building located on one site or on*
21 *contiguous sites may apply for a license to operate a new nursing facility*
22 *for people with intellectual disability—~~which~~ that includes more than one*
23 *residential building located on one site or on contiguous sites and may*
24 *apply for one license for each residential building located on the new site,*
25 *except that total resident population at any such location shall not exceed*
26 *75 residents.*

27 Sec. 3. K.S.A. 2018 Supp. 39-931 is hereby amended to read as
28 follows: 39-931. (a) ~~Whenever the licensing agency finds a substantial~~
29 ~~failure to comply with the requirements, standards or rules and regulations~~
30 ~~established under this act—~~or that a receiver has been appointed under~~~~
31 ~~K.S.A. 39-958, and amendments thereto, it, the licensing agency shall~~
32 ~~make an order denying, suspending or revoking the license after notice and~~
33 ~~a hearing in accordance with the provisions of the Kansas administrative~~
34 ~~procedure act, K.S.A. 77-501 et seq., and amendments thereto. Any~~
35 ~~applicant or licensee who is aggrieved by the order may appeal such order~~
36 ~~in accordance with the provisions of the Kansas judicial review act, K.S.A.~~
37 ~~77-601 et seq., and amendments thereto.~~

38 (b) *Except as provided in subsection (c), whenever the licensing*
39 *agency denies, suspends or revokes a license under this section, the*
40 *applicant or licensee shall not be eligible to apply for a new license or*
41 *reinstatement of a license for a period of two years from the date of denial,*
42 *suspension or revocation, and whenever the district court appoints a*
43 *receiver under K.S.A. 39-958, and amendments thereto, the applicant or*

1 *licensee that is under receivership shall not be eligible to apply for a new*
2 *license or reinstatement of a license for a period of 10 years from the date*
3 *the receivership action was terminated under K.S.A. 39-963, and*
4 *amendments thereto.*

5 (c) (1) Any applicant or licensee issued an emergency order by the
6 licensing agency denying, suspending or revoking a license under this
7 section may apply for a new license or reinstatement of a license at any
8 time upon submission of a written waiver of any right conferred upon such
9 applicant or licensee under the Kansas administrative procedure act,
10 ~~K.S.A. 77-501 et seq., and amendments thereto,~~ and the Kansas judicial
11 review act, ~~K.S.A. 77-601 et seq., and amendments thereto,~~ to the
12 licensing agency in a settlement agreement or other manner as approved
13 by the licensing agency.

14 (2) Any licensee issued a notice of intent to take disciplinary action
15 by the licensing agency under this section may enter into a settlement
16 agreement or other manner as approved by the licensing agency, with the
17 licensing agency, at any time upon submission of a written waiver of any
18 right conferred upon such licensee under the Kansas administrative
19 procedure act, ~~K.S.A. 77-501 et seq., and amendments thereto,~~ and the
20 Kansas judicial review act, ~~K.S.A. 77-601 et seq., and amendments~~
21 ~~thereto.~~

22 (d) No person shall operate an intermediate care facility for people
23 with intellectual disability, *as defined in K.S.A. 39-923, and amendments*
24 *thereto,* of five beds or less, ~~as defined by subsection (a)(4) of K.S.A. 39-~~
25 ~~923, and amendments thereto,~~ within this state unless such person:

26 (A) Is issued a license by the licensing agency on or before January 1,
27 2012; or

28 (B) participated in the medicaid program as an intermediate care
29 facility for people with intellectual disability of five beds or less, on or
30 before January 1, 2012.

31 Sec. 4. K.S.A. 2018 Supp. 39-931a is hereby amended to read as
32 follows: 39-931a. (a) As used in this section, the term "person" means any
33 person who is an applicant for a license to operate an adult care home or
34 who is the licensee of an adult care home and who has any direct or
35 indirect ownership interest ~~of 25% or more~~ in an adult care home or who is
36 the owner, in whole or in part, of any mortgage, deed of trust, note or other
37 obligation secured, in whole or in part, by such facility or any of the
38 property or assets of such facility, or who, if the facility is organized as a
39 corporation, is an officer or director of the corporation, or who, if the
40 facility is organized as a partnership, is a partner.

41 (b) Pursuant to K.S.A. 39-931, and amendments thereto, the licensing
42 agency may deny a license to any person and may suspend or revoke the
43 license of any person who:

1 (1) Has willfully or repeatedly violated any provision of law or rules
2 and regulations adopted pursuant to article 9 of chapter 39 of the Kansas
3 Statutes Annotated, and amendments thereto;

4 (2) has had a license to operate an adult care home denied, suspended,
5 revoked or limited, has been censured or has had other disciplinary action
6 taken, or an application for a license denied, by the proper licensing
7 authority of another state, territory, District of Columbia or other country, a
8 certified copy of the record of such action of the other jurisdiction being
9 conclusive evidence thereof;

10 (3) has failed or refused to comply with the medicaid requirements of
11 title XIX of the social security act, or medicaid regulations under chapter
12 IV of title 42 of the code of federal regulations, a certified copy of the
13 record of such action being conclusive evidence thereof;

14 (4) has failed or refused to comply with the medicare requirements of
15 chapter 7 of title 42 of the United States code, or medicare regulations
16 under chapter IV of title 42 of the code of federal regulations, a certified
17 copy of the record of such action being conclusive evidence thereof;

18 (5) has been convicted of a felony;

19 (6) has failed to assure that nutrition, medication and treatment of
20 residents, including the use of restraints, are in accordance with acceptable
21 medical practices;

22 (7) has aided, abetted, sanctioned or condoned any violation of law or
23 rules and regulations adopted pursuant to article 9 of chapter 39 of the
24 Kansas Statutes Annotated, *and amendments thereto*; or

25 (8) has willfully admitted a person to a nursing facility in violation of
26 K.S.A. 39-968, and amendments thereto.

27 Sec. 5. K.S.A. 39-955 is hereby amended to read as follows: 39-955.
28 The application for receivership shall be filed in the *Shawnee county*
29 *district court or the* district court in the county where the adult care home
30 is located. The application shall be verified and set forth the specific
31 reasons therefor.

32 Sec. 6. K.S.A. 39-956 is hereby amended to read as follows: 39-956.
33 The applicant shall serve those persons set forth in K.S.A. 39-954, *and*
34 *amendments thereto*, with copies of the application. Service of process
35 shall be as provided for under the code of civil procedure. The applicant
36 shall also send ~~five (5) copies~~ *a copy* of the application for receivership to
37 the adult care home. The adult care home shall post ~~the copies of~~ the
38 application in *a conspicuous place* ~~places~~ *place* within the adult care home.

39 Sec. 7. K.S.A. 39-957 is hereby amended to read as follows: 39-957.
40 A party shall file an answer to the application within ~~five (5) days~~ after the
41 service of *process of* the application ~~upon such person~~.

42 Sec. 8. K.S.A. 2018 Supp. 39-958 is hereby amended to read as
43 follows: 39-958. (a) The application for receivership shall be given priority

1 by the district court and shall be heard no later than the seventh day
2 following the filing of the ~~application~~ *answer or other responsive*
3 *pleading*. A continuance of no more than ~~10~~ *14* days may be granted by the
4 district court for good cause. The district court shall give all parties who
5 have filed an answer the opportunity to present evidence pertaining to the
6 application. If the district court finds that the facts warrant the granting of
7 the application, the court shall appoint the secretary for aging and
8 disability services or the designee of the secretary as receiver to operate
9 the home.

10 (b) Upon the appointment of a receiver under this section, the
11 receiver shall be granted a license by the licensing agency to operate an
12 adult care home as provided under the provisions of article 9 of chapter 39
13 of the Kansas Statutes Annotated, and amendments thereto. The provisions
14 of article 9 of chapter 39 of the Kansas Statutes Annotated, and
15 amendments thereto, relating to inspection prior to granting a license to
16 operate an adult care home and relating to payment of license fees shall
17 not apply to a license granted to a receiver under this section, and such
18 license shall remain in effect during the existence of the receivership and
19 shall expire on the termination of the receivership. ~~The receiver shall make~~
20 ~~application for the license on forms provided for this purpose by the~~
21 ~~licensing agency.~~

22 Sec. 9. K.S.A. 39-959 is hereby amended to read as follows: 39-959.

23 (a) A receiver appointed in accordance with the provisions of this act shall
24 have the following powers and duties:

25 ~~(a)~~(1) Conduct the day to day business operations of the adult care
26 home;

27 (2) *operate the adult care home to provide safe and adequate*
28 *healthcare for the residents of the adult care home;*

29 (3) *correct or eliminate any deficiency in the adult care home that*
30 *concerns the health, safety, nutrition or sanitation of the residents of the*
31 *adult care home and that is life threatening or endangering;*

32 (4) *provide for the orderly transfer of all residents of the adult care*
33 *home to other adult care homes or make other provisions for such*
34 *residents' continued safety and healthcare, as necessary;*

35 (5) *be entitled to the immediate use of all proceeds of any accounts*
36 *receivable to discharge the powers and duties of the receiver;*

37 (6) *collect incoming payments from all sources and apply such*
38 *payments to costs incurred in the performance of the receiver's powers*
39 *and duties, including compensation of the receiver, if any;*

40 (7) *enter into or terminate contracts as necessary to carry out the*
41 *receiver's powers and duties and incur expenses for individual items for*
42 *repairs, improvements or supplies, without being subject to any*
43 *requirements to procure competitive bids established by law;*

1 (8) *repay expenditures of the receiver from moneys appropriated to*
2 *the Kansas department for aging and disability services for purposes set*
3 *forth in K.S.A. 39-954 et seq., and amendments thereto, if incoming*
4 *payments from the operation of the adult care home exceed the costs*
5 *incurred by the receiver in the performance of the receiver's powers and*
6 *duties; and*

7 (9) *other powers and duties as authorized or imposed by the district*
8 *court.*

9 (b) *If incoming payments from the operation of the adult care home*
10 *exceed the costs incurred by the receiver in the performance of the*
11 *receiver's powers and duties, the receiver may:*

12 (1) *Pay post-receivership quality care assessments as established*
13 *under Kansas law;*

14 (2) *reimburse the owner or licensee, as appropriate, a fair monthly*
15 *rental for the adult care home, taking into account all relevant factors,*
16 *including the condition of such adult care home and set-offs arising from*
17 *improvements made by the receiver; and*

18 ~~(e)~~(3) *give fair compensation to the owner or licensee, as appropriate,*
19 *for all property taken or used during the course of the receivership if such*
20 *person has not previously received compensation for the property being*
21 *taken or used;*

22 ~~(d)~~ *correct or eliminate any deficiency in the adult care home that*
23 *concerns the health, safety, nutrition, or sanitation of the residents of the*
24 *adult care home and is life threatening or endangering;*

25 ~~(e)~~ *enter into contracts as necessary to carry out his or her duties as*
26 *receiver and incur expenses for individual items of repairs, improvements*
27 *or supplies without the procurement of competitive bids, if otherwise*
28 *required by law, where the total amount of such individual item does not*
29 *exceed five hundred dollars (\$500);*

30 ~~(f)~~ *collect incoming payments from all sources and apply them to the*
31 *costs incurred in the performance of his or her functions as receiver*
32 *including the compensation of the receiver, if any;*

33 ~~(g)~~ *honor all existing leases, mortgages, chattel mortgages and*
34 *security interests;*

35 ~~(h)~~ *operate the adult care home so as to provide safe and adequate*
36 *health care for the residents of the adult care home;*

37 ~~(i)~~ *provide for the orderly transfer of all residents in the adult care*
38 *home to other adult care homes or make other provisions for their*
39 *continued safety and health care, as necessary;*

40 ~~(j)~~ *other powers and duties as authorized or imposed by the district*
41 *court.*

42 Sec. 10. K.S.A. 2018 Supp. 39-960 is hereby amended to read as
43 follows: 39-960. (a) The secretary for aging and disability services, upon

1 request of a receiver, may authorize expenditures from moneys
2 appropriated for purposes set forth in this act if incoming payments from
3 the operation of the adult care home are less than the cost incurred by the
4 receiver in the performance of the receiver's functions as receiver or for
5 purposes of initial operating expenses of the receivership.

6 (b) Any payments made by the secretary for aging and disability
7 services pursuant to this section shall be owed by the owner, *operator* or
8 licensee, *including any individuals or entities that appear on the license*
9 *issued by the secretary pursuant to the adult care home licensure act*, and
10 repaid to the secretary for aging and disability services when the
11 receivership is terminated pursuant to K.S.A. 39-963, and amendments
12 thereto, and until repaid shall constitute a lien against all non-exempt
13 personal and real property of the owner, ***operator*** or licensee.

14 Sec. 11. K.S.A. 2018 Supp. 39-961 is hereby amended to read as
15 follows: 39-961. (a) The personnel and facilities of the Kansas department
16 for aging and disability services shall be available to the receiver for the
17 purposes of carrying out the receiver's duties as receiver as authorized by
18 the secretary for aging and disability services.

19 (b) The Kansas department for aging and disability services shall
20 itemize and keep a ledger showing costs of personnel and other expenses
21 establishing the receivership and assisting the receiver and such amount
22 shall be owed by the owner, *operator* or licensee to the Kansas department
23 for aging and disability services. Such department shall submit a bill for
24 such expenses to the receiver for inclusion in the receiver's final
25 accounting. Any amount so billed and until repaid shall constitute a lien
26 against all ~~nonexempt~~ ***non-exempt*** personal and real property of the
27 owner, *operator* or licensee, *including any individuals or entities that*
28 *appear on the license issued by the secretary pursuant to the adult care*
29 *home licensure act*.

30 Sec. 12. K.S.A. 2018 Supp. 39-963 is hereby amended to read as
31 follows: 39-963. (a) The court shall terminate the receivership only under
32 any of the following circumstances:

33 (1) Twenty-four months after the date on which the receivership was
34 ordered;

35 (2) a new license, other than the license granted to the receiver under
36 K.S.A. 39-958, and amendments thereto, has been granted to operate the
37 adult care home; or

38 (3) at such time as all of the residents in the adult care home have
39 been provided alternative modes of healthcare, either in another adult care
40 home or otherwise.

41 (b) (1) At the time of termination of the receivership, the receiver
42 shall render a full and complete accounting to the district court and shall
43 make disposition of surplus money at the direction of the district court.

1 (2) The court may make such additional orders as are appropriate to
2 recover the expenses and costs to the Kansas department for aging and
3 disability services ~~and the secretary for children and families~~ incurred
4 pursuant to K.S.A. 39-960 or 39-961, and amendments thereto.

5 Sec. 13. K.S.A. 39-955, 39-956, 39-957 and 39-959 and K.S.A. 2018
6 Supp. 39-923, 39-927, 39-931, 39-931a, 39-958, 39-960, 39-961 and 39-
7 963 are hereby repealed.

8 Sec. 14. This act shall take effect and be in force from and after its
9 publication in the statute book.