INTRODUCED H.B. 2017R2595

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2999

FISCAL NOTE

By Delegate Rohrbach

[Introduced March 14, 2017; Referred to the Committee on Health and Human Resources then Government Organization]

INTRODUCED H.B. 2017R2595

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §16-5Z-1, §16-5Z-2, §16-5Z-3, §16-5Z-4, §16-5Z-5, §16-5Z-6, §16-5Z-7, §16-5Z-8 and §16-5Z-9, all relating to establishing a program for the licensing and regulation of out-patient substance abuse counseling programs; defining terms; specifying requirements and procedures to be licensed; establishing operational requirements and minimum qualifications for professional staff; providing for inspections with and without warrants; authorizing limitations, denials, suspensions and revocations of licenses for noncompliance with law; describing types of violations; providing for civil penalties to be ordered; requiring notification of violations of professional license violations to appropriate licensing authorities; and granting rule-making authority to the Secretary of the Department of Health and Human Resources.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended, by adding thereto a new article, designated §16-5Z-1, §16-5Z-2, §16-5Z-3, §16-5Z-4, §16-5Z-5, §16-5Z-6, §16-5Z-7, §16-5Z-8 and §16-5Z-9, all to read as follows:

ARTICLE 5G. LICENSING OF OUT-PATIENT SUBSTANCE ABUSE COUNSELING PROGRAMS.

§16-5Z-1. Purpose.

The purpose of this article is to establish licensing and registration requirements for facilities that provide counseling, behavioral therapy and recovery services for clients with substance use disorders to promote effective care and assistance and to prevent exploitation of those afflicted with substance abuse disorders and related social consequences.

§16-5Z-2. Definitions.

(a) "Advanced alcohol and drug abuse counselor" means an alcohol and drug abuse counselor who is certified by the West Virginia Certification Board for Addiction and Prevention

3 Professionals who demonstrates a high degree of competence in the addiction counseling field. 4 (b) "Alcohol and drug abuse counselor" means a counselor certified by the West Virginia 5 Certification Board for Addiction and Prevention Professionals for specialized work with patients 6 who have substance use problems. 7 (c) "Biopsychosocial" means of, relating to, or concerned with, biological, psychological 8 and social aspects in contrast to the strictly biomedical aspects of disease. 9 (d) "Center for Substance Abuse Treatment" means the center under the Substance 10 Abuse and Mental Health Services Administration that promotes community-based substance 11 abuse treatment and recovery services for individuals and families in the community and provides national leadership to improve access, reduce barriers and promote high quality, effective 12 13 treatment and recovery services. 14 (e) "Director" means the Director of the Office of Health Facility Licensure and Certification. 15 (f) "Governing body" means the person or persons identified as being legally responsible 16 for the operation of the substance abuse counseling program and may be a board, a single entity 17 or owner, or a partnership. 18 (g) "Medication-assisted treatment" means the use of medications and drug screens, in 19 combination with counseling and behavioral therapies, for the treatment of substance use 20 disorders. 21 (h) "Owner" means any person, partnership, association or corporation listed as the owner 22 of a substance abuse counseling program on the licensing or registration forms required by this 23 article. 24 (i) "Program sponsor" means the person named in the application for the certification and licensure of a substance abuse counseling program who is responsible for the administrative 25 26 operation of the program, and who assumes responsibility for all of its employees, including any 27 practitioners, agents or other persons providing rehabilitative or counseling services through the 28 program.

(i) "Secretary" means the Secretary of the West Virginia Department of Health and Human 29 30 Resources or his or her designee. (k) "State oversight agency" means the agency or office of state government identified by 31 32 the secretary to provide regulatory oversight of substance abuse counseling treatment programs 33 on behalf of the State of West Virginia. (I) "Substance" means the following: 34 35 (1) Alcohol; 36 (2) Controlled substances defined by section two hundred four, article two, chapter sixty-37 a; section two hundred six, article two, chapter sixty-a; section two hundred eight, article two, 38 chapter sixty-a and section two hundred ten, article two, chapter sixty-a of this code; or 39 (3) Any chemical, gas, drug or medication consumed which causes clinically and 40 functionally significant impairment, such as health problems, disability and failure to meet major 41 responsibilities at work, school or home. 42 (m) "Substance Abuse and Mental Health Services Administration" means the agency under the United States Department of Health and Human Services responsible for the 43 44 accreditation and certification of substance abuse counseling programs and that provides 45 leadership, resources, programs, policies, information, data, contracts and grants for the purpose 46 of reducing the impact of substance abuse and mental or behavioral illness. 47 (n) "Substance abuse counseling program" means any out-patient program or service with a principal purpose of treatment of substance abuse disorders through clinical counseling 48 49 procedures, for a fee or other valuable consideration, and which is not a medication-assisted 50 treatment program, an opioid treatment program or any program of peer support and discussion 51 meetings organized by volunteers. 52 (o) "Variance" means written permission granted by the secretary to a medication-assisted 53 treatment program that a requirement of this article or rules promulgated pursuant to this article 54 may be accomplished in a manner different from the manner set forth in this article or associated

55 rules.

(p) "Waiver" means a formal, time-limited agreement between the designated oversight agency and the medication-assisted treatment program that suspends a rule, policy or standard for a specific situation so long as the health and safety of patients is better served in the situation by suspension of the rule, policy or standard than by enforcement.

§16-5Z-3. Substance abuse counseling programs to obtain license; application; fees and inspections.

- (a) No person, partnership, association or corporation may operate a substance abuse counseling program without first obtaining a license from the secretary in accordance with the provisions of this article and the rules lawfully promulgated pursuant to this article.
- (b) Any person, partnership, association or corporation desiring a license to operate a substance abuse counseling program in this state shall file with the Office of Health Facility Licensure and Certification an application in such form and with such information as the secretary shall prescribe and furnish accompanied by an application fee.
- (c) The Director of the Office of Health Facility Licensure and Certification or his or her designee shall inspect each facility and review all documentation submitted with the application.

 The director shall then provide a recommendation to the secretary whether to approve or deny the application for a license. The secretary shall issue a license if the facility is in compliance with the provisions of this article and with the rules lawfully promulgated pursuant to this article.
 - (d) A license shall be issued in one of three categories:
- (1) An initial twelve-month license shall be issued to a substance abuse counseling program establishing a new program or service for which there is insufficient consumer participation to demonstrate substantial compliance with this article and with all rules promulgated pursuant to this article;
- (2) A provisional license shall be issued when a substance abuse counseling program seeks a renewal license, or is an existing program as of the effective date of this article and is

seeking an initial license, and the substance abuse counseling program is not in substantial compliance with this article and with all rules promulgated pursuant to this article, but does not pose a significant risk to the rights, health and safety of a consumer. It shall expire not more than six months from the date of issuance, and may not be consecutively reissued; or

- (3) A renewal license shall be issued when a substance abuse counseling program is in substantial compliance with this article and with all rules promulgated pursuant to this article. A renewal license shall expire not more than one year from the date of issuance.
- (e) At least sixty days prior to the license expiration date, an application for renewal shall be submitted by the owner or program sponsor of the substance abuse counseling program to the secretary on forms furnished by the secretary. A license shall be renewed if the secretary determines that the applicant is in compliance with this article and with all rules promulgated pursuant to this article. A license issued to one program location pursuant to this article is not transferrable or assignable. Any change of ownership of a licensed substance abuse counseling program requires submission of a new application. The substance abuse counseling program shall notify the secretary of any change in ownership within ten days of the change and must submit a new application within the time frame prescribed by the secretary.
- (f) Any person, partnership, association or corporation that seeks to obtain or renew a license for a substance abuse counseling program in this state must submit to the secretary the following documentation:
- (1) Full operating name of the program as advertised;
- 40 (2) Legal name of the program as registered with the West Virginia Secretary of State;
- 41 (3) Physical address of the program;

- 42 (4) Preferred mailing address for the program;
- 43 (5) Email address to be used as the primary contact for the program;
- 44 (6) Federal Employer Identification Number assigned to the program;
- 45 (7) All business licenses issued to the program by this state, the state Tax Department,

46	the Secretary of State and all other applicable business entities;
47	(8) Brief description of all services provided by the program;
48	(9) Hours of operation;
49	(10) Legal Registered Owner Name – name of the person registered as the legal owner
50	of the program. If more than one legal owner (i.e., partnership, limited liability corporation, etc.
51	list each legal owner separately, indicating the percentage of ownership;
52	(11) The name and professional qualifications of the program sponsor;
53	(12) For each employee of the program, provide the following:
54	(A) Employee's role and occupation within the program;
55	(B) Full legal name; and
56	(C) Professional license, if applicable;
57	(13) Name and location address of all programs owned or operated by the applicant;
58	(14) Check or money order for licensing fee and inspection fee;
59	(15) Verification of education and training for all psychologists, counselors and social
60	workers practicing at or used by referral by the program, including fellowships, additional
61	education, accreditations, board certifications and other certifications;
62	(16) A notarized statement of the program sponsor or owner's representative attesting to
63	the truth of the contents of the application.
64	(g) Upon satisfaction that an applicant has met all of the requirements of this article, the
65	secretary shall issue a license to operate a substance abuse counseling program.
66	(h) The substance abuse counseling program shall display the current license in a
67	prominent location where services are provided and in clear view of all clients.
86	(i) The secretary or his or her designee shall inspect on a periodic basis all substance
69	abuse counseling programs that are subject to this article and all rules adopted pursuant to this
70	article to ensure continued compliance.
71	(i) Any license in effect at the time of the passage of this section in the 2017 regular session

of the Legislature shall remain in effect until such time as new legislative rules promulgated pursuant to this article become effective. Upon the effective date of the new rules any licensee shall file for a new license within six months pursuant to the licensing procedures and requirements of this section and the new rules promulgated hereunder. The existing license shall remain effective until receipt of the new license.

§16-5Z-4. Operational requirements.

- (a) The substance abuse counseling program shall be licensed and registered in this state with the secretary, the Secretary of State, the state Tax Department and all other applicable business or licensing entities.
- (b) Each substance abuse counseling program shall designate counseling staff, either employees or those used on a referral-basis by the program, who meet the requirements of this article and the rules promulgated pursuant to this article. The individual members of the counseling staff shall have one or more of the following qualifications:
- 8 <u>(1) A licensed psychologist;</u>
- 9 (2) Certification as an alcohol and drug counselor;
- 10 (3) Certification as an advanced alcohol and drug counselor;
 - (4) A counselor, marriage and family therapist or social worker with a master's level education with a specialty or specific training in treatment for substance use disorders, as further described in the rules promulgated pursuant to this article;
 - (5) Under the direct supervision of an advanced alcohol and drug counselor, a counselor with a bachelor's degree in social work or another relevant human services field: *Provided*, That the individual practicing with a bachelor's degree under supervision applies for certification as an alcohol and drug counselor within three years of the date of employment as a counselor; or
 - (6) A counselor with a graduate degree actively working toward licensure or certification in the individual's chosen field under supervision of a licensed or certified professional in that field and/or advanced alcohol and drug counselor.

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

(c) The substance abuse counseling program shall be eligible for, and not prohibited from, enrollment with West Virginia Medicaid and other private insurance. Prior to directly billing a client for any substance abuse counseling, a substance abuse counseling program must receive either a rejection of prior authorization, rejection of a submitted claim, or a written denial from a client's insurer or West Virginia Medicaid denying coverage for such treatment: Provided, That the Secretary may grant a variance from this requirement pursuant to section five of this article. The program shall also document whether a client has no insurance. At the option of the substance abuse counseling program, treatment may commence prior to billing. (d) All persons employed by the substance abuse counseling program shall comply with the requirements for the operation of a substance abuse counseling program established within this article or by any rule adopted pursuant to this article. (e) The substance abuse counseling program shall not be owned by, nor shall it employ or associate with, any physician or prescriber: (1) Whose Drug Enforcement Administration number is not currently full, active and unencumbered; (2) Whose application for a license to prescribe, dispense or administer a controlled substance has been denied by a controlled substance permitting authority of any state, district or territory of the United States and is not full, active and unencumbered in any jurisdiction; or (3) Whose license is anything other than a full, active and unencumbered license to practice allopathic medicine or surgery by the West Virginia Board of Medicine or osteopathic medicine or surgery by the West Virginia Board of Osteopathic Medicine in this state, and, who is in good standing and not under any probationary restrictions. (f) Each substance abuse counseling program location shall be licensed separately, regardless of whether the program is operated under the same business name or management as another program. (g) The substance abuse counseling program shall develop and implement client

47 protocols, treatment plans or treatment strategies and profiles, which shall include, but not be 48 limited by, the following guidelines: 49 (1) The substance abuse counseling program shall maintain a record of all of the following: 50 (A) Medical history of the individual; 51 (B) The diagnosis of substance use disorder of the individual; 52 (C) The plan of treatment proposed, the client's response to the treatment and any 53 modification to the plan of treatment; 54 (E) A copy of the report made by the physician or counselor to whom referral for evaluation 55 or counseling was made, if applicable; and 56 (F) A copy of the coordination of care agreement, which is to be signed by the client and the primary counselor for the client. If a change of primary counselor takes place, a new 57 58 agreement must be signed. The coordination of care agreement must be updated or reviewed at 59 least annually. If the coordination of care agreement is reviewed, but not updated, this review 60 must be documented in the client's record. The coordination of care agreement will be provided 61 in a form prescribed and made available by the secretary; 62 (2) Substance abuse counseling programs shall report information, data, statistics and 63 other information as directed in this code, and the rules promulgated pursuant to this article to 64 required agencies and other authorities; and 65 (3) An alcohol and drug abuse counselor, an advanced alcohol and drug abuse counselor or other qualified counselor, psychiatrist, psychologist or social worker shall perform a 66 67 biopsychosocial assessment, including, but not limited to, a mental status examination of a client 68 within seven days prior, or subsequent, to the initiation of counseling services. §16-5Z-5. Restrictions; variances and waivers. 1 (a) A substance abuse counseling program shall not be located, operated, managed or

owned at the same location where a chronic pain management clinic licensed and defined in

article five-h, chapter sixteen of this code is located.

2

3

(b) Substance abuse counseling programs shall not have procedures for offering a bounty,

4

monetary, equipment, or merchandise reward, or free services for individuals in exchange for 5 6 recruitment of new clients into the facility. 7 (c) Substance abuse counseling programs shall not be located within one-half mile of a 8 public or private licensed day care center or public or private K-12 school. However, existing 9 substance abuse counseling programs that are located within one-half mile of a public or private 10 licensed day care center or public or private K-12 school, shall be granted a variance: Provided, 11 That the facility demonstrates adequate client population controls and that it may otherwise meet 12 the requirements of this article and the rules promulgated pursuant to this article. 13 (d) The secretary may grant a waiver or a variance from any licensure or registration 14 standard, or portion thereof, for the period during which the license or registration is in effect. 15 (1) Requests for waivers or variances of licensure or registration standards shall be in 16 writing to the secretary and shall include: 17 (A) The specific section of this article or rules promulgated pursuant to this article for which 18 a waiver or variance is sought; 19 (B) The rationale for requesting the waiver or variance; 20 (C) Documentation by the substance abuse counseling program's medical director to the 21 secretary that describes how the program will maintain the quality of services and client safety if 22 the wavier or variance is granted; and 23 (D) The consequences of not receiving approval of the requested wavier or variance. 24 (2) The secretary shall issue a written statement to the substance abuse counseling 25 program granting or denying a request for a waiver or variance of program licensure or registration 26 standards. 27 (3) The substance abuse counseling program shall maintain a file copy of all requests for 28 waivers or variances and the approval or denial of the requests for the period during which the 29 license or registration is in effect.

(4) The Office of Health Facility Licensure and Certification shall inspect each substance abuse counseling program prior to a waiver or variance being granted, including a review of client records, to ensure and verify that any waiver or variance request meets the spirit and purpose of this article and the rules promulgated pursuant to this article. The Office of Health Facility Licensure and Certification may verify, by unannounced inspection, that the substance abuse counseling program is in compliance with any waiver or variance granted by the secretary for the duration of such waiver or variance.

§16-5Z-6. Inspection; inspection warrant.

- (a) The Office of Health Facility Licensure and Certification shall inspect each substance
 abuse counseling program annually, including a review of the client records, to ensure that the
 program complies with this article and the applicable rules.
 - (b) During an onsite inspection, the inspectors shall make a reasonable attempt to discuss each violation with the program sponsor or owner of the substance abuse counseling program before issuing a formal written notification.
 - (c) Any action taken to correct a violation shall be documented in writing by the program sponsor or owner of the substance abuse counseling program and may be verified by follow-up visits by the Office of Health Facility Licensure and Certification.
 - (d) Notwithstanding the existence or pursuit of any other remedy, the secretary may, in the manner provided by law, maintain an action in the name of the state for an inspection warrant against any person, partnership, association or corporation to allow any inspection or seizure of records in order to complete any inspection allowed by this article or the rules promulgated pursuant to this article, or to meet any other purpose of this article or the rules promulgated pursuant to this article.

§16-5Z-7. License and registration limitation; denial; suspension; revocation.

(a) The secretary may, by order, impose a ban on the admission of new clients or reduce the client capacity of the substance abuse counseling program, or any combination thereof, when

he or she finds upon inspection of the substance abuse counseling program that the licensee or registrant is not providing adequate care under the substance abuse counseling program's existing client base, and that a reduction in client base or imposition of a ban on admissions, or any combination thereof, would place the licensee or registrant in a position to render adequate care. Any notice to a licensee or registrant of reduction in client base or ban on new admissions shall include the terms of the order, the reasons therefor and the date set for compliance.

(b) The secretary shall deny, suspend or revoke a license issued pursuant to this article if the provisions of this article or of the rules promulgated pursuant to this article are violated. The secretary may revoke a program's license or registration and prohibit all licensed health care professionals associated with that substance abuse counseling program from practicing at the program location based upon an annual, periodic, complaint, verification or other inspection and evaluation.

(c) Before any such license is denied, suspended or revoked, however, written notice shall be given to the licensee or owner, stating the grounds for such denial, suspension or revocation.

(d) An applicant or licensee has ten working days after receipt of the secretary's order denying, suspending or revoking a license to request a formal hearing contesting such denial, suspension or revocation of a license or registration under this article. If a formal hearing is requested, the applicant or licensee and the secretary shall proceed in accordance with the provisions of article five, chapter twenty-nine-a of this code.

(e) If a license is denied or revoked as herein provided, a new application for license or registration shall be considered by the secretary if, when and after the conditions upon which the denial or revocation was based have been corrected and evidence of this fact has been furnished.

A new license shall then be granted after proper inspection, if applicable, has been made and all provisions of this article and rules promulgated pursuant to this article have been satisfied.

(f) Any applicant or licensee who is adversely affected by the decision of the secretary as a result of the hearing provided in this section may, within thirty days after receiving notice of the

decision, petition the circuit court of Kanawha County, in term or in vacation, for judicial review of the decision.

(g) The court may affirm, modify or reverse the decision of the secretary and either the applicant, licensee or registrant, or the secretary may appeal from the court's decision to the Supreme Court of Appeals.

(h) If the license of a substance abuse counseling program is denied, suspended or revoked, the owner of the program and the program sponsor shall cease to operate the facility, office or program as a substance abuse counseling program as of the effective date of the denial, suspension or revocation. Upon receipt of written notice of the order of denial, suspension or revocation, the owner or lessor of the substance abuse counseling program property is responsible for removing all signs and symbols identifying the premises as a substance abuse counseling program within thirty days. Any administrative appeal of such denial, suspension or revocation shall not stay the denial, suspension or revocation.

(i) If the license of a substance abuse counseling program is suspended or revoked, any person named in the licensing or registration documents of the program, including persons owning or operating the substance abuse counseling program, may not, as an individual or as part of a group, apply to operate another substance abuse counseling program for up to five years after the date of suspension or revocation. The secretary may grant a variance pursuant to section five of this article to the prohibition of this subsection.

(j) The period of suspension for the license of a substance abuse counseling program shall be prescribed by the secretary, but may not exceed one year.

§16-5Z-8. Violations; penalties; injunction.

(a) Any person, partnership, association or corporation which establishes, conducts, manages or operates a substance abuse counseling program without first obtaining a license or registration as herein provided, or who violates any provisions of this article or any rule lawfully promulgated pursuant to this article, shall be assessed a civil penalty by the secretary in

accordance with this subsection. Each day of continuing violation after conviction shall be considered a separate violation:

(1) If a substance abuse counseling program or any owner, governing body or program sponsor is found to be in violation of any provision of this article, unless otherwise noted herein, the secretary may limit, suspend or revoke the program's license or registration;

(2) If the program's owner, governing body or program sponsor knowingly and intentionally misrepresents actions taken to correct a violation, the secretary may impose a civil money penalty not to exceed \$10,000 and, in the case of any owner-operator substance abuse counseling program, limit or revoke a substance abuse counseling program's license or registration;

(3) If any owner or governing body of a substance abuse counseling program concurrently operates an unlicensed or unregistered substance abuse counseling program, the secretary may impose a civil money penalty upon the owner or medical director, or both, not to exceed \$5,000 per day; or

(4) If the owner, governing body or program sponsor of a substance abuse counseling program that requires a license or registration under this article fails to apply for a new license or registration for the program upon a change of ownership and operates the program under new ownership, the secretary may impose a civil money penalty upon the owner, not to exceed \$5,000.

(b) Notwithstanding the existence or pursuit of any other remedy, the secretary may, in the manner provided by law, maintain an action in the name of the state for an injunction against any person, partnership, association or corporation to restrain or prevent the establishment, conduct, management or operation of any substance abuse counseling program or violation of any provision of this article or any rule lawfully promulgated thereunder without first obtaining a license or registration in the manner herein provided.

- (c) In determining whether a penalty is to be imposed and in fixing the amount of the penalty, the secretary shall consider the following factors:
 - (1) The gravity of the violation, including the probability that death or serious physical or

31

32

33

34

35

36

37

38

39

40

41

42

43

1

2

3

4

5

6

7

8

9

10

11

12

emotional harm to a client has resulted, or could have resulted, from the substance abuse counseling program's actions and actions of its staff, the severity of the action or potential harm, and the extent to which the provisions of the applicable laws or rules were violated; (2) What actions, if any, the owner, governing body or program sponsor took to correct the violations; (3) Whether there were any previous violations at the substance abuse counseling program; and (4) The financial benefits that the substance abuse counseling program derived from committing or continuing to commit the violation and the corresponding financial injury to or impact upon the client or clients. (d) Upon finding that a licensed health care professional has violated the provisions of this article or rules adopted pursuant to this article, the secretary shall provide notice of the violation to the applicable licensing board. §16-5Z-9. Rules; minimum standards for substance abuse counseling programs. The secretary shall propose rules for legislative approval in accordance with the provisions of article three, chapter twenty-nine-a of this code for the licensure of substance abuse counseling programs to ensure adequate care, treatment, health, safety, welfare and comfort of clients at these facilities. These rules shall include, at a minimum: (1) The process to be followed by applicants seeking a license; (2) The qualifications and supervision of licensed and nonlicensed personnel at substance abuse counseling programs and training requirements for all facility health care practitioners who are not regulated by another board; (3) The provision and coordination of client care, including the development of a written plan of care and client contract; (4) Minimum standards for the management, operation, staffing and equipping of substance abuse counseling programs;

13	(5) The clinical, medical, client and business records to kept by the programs;
14	(6) The procedures for inspections and for review of utilization and quality of client care;
15	(7) The standards and procedures for the general operation of a substance abuse
16	counseling program, including facility operations, counseling program components, physical
17	operations, health and safety requirements and quality assurance;
18	(8) Any other criteria that identify a facility as a substance abuse counseling program;
19	(9) The standards and procedures to be followed by an owner in providing supervision,
20	direction and control of individuals employed by or associated with a substance abuse counseling
21	program;
22	(10) Data collection and reporting requirements; and
23	(11) Such other standards or requirements as the secretary determines are appropriate.

NOTE: The purpose of this bill is to establish an application, licensing and regulatory system for the operation of out-patient substance abuse counseling programs.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.