

**RULES
OF
DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES**

**CHAPTER 0940-05-02
LICENSURE ADMINISTRATION AND PROCEDURES**

TABLE OF CONTENTS

0940-05-02-.01	Statement of Authority	0940-05-02-.15	Expiration of Licenses
0940-05-02-.02	Types and Conditions of Licenses	0940-05-02-.16	Posting of the License
0940-05-02-.03	Unlawful Operation	0940-05-02-.17	Surrender Requirements
0940-05-02-.04	Application Forms	0940-05-02-.18	Exclusions from Licensure
0940-05-02-.05	Fees	0940-05-02-.19	Waiver Authority
0940-05-02-.06	Application Process for an Initial License	0940-05-02-.20	Investigation of Abuse, Dereliction, or Deficiency in Operation of a Facility or Service
0940-05-02-.07	Application Process for License Renewal		
0940-05-02-.08	District Categories of Facilities and Services		
0940-05-02-.09	Number of Licenses Required	0940-05-02-.21	Notice of Non-Compliance and Plan of Compliance
0940-05-02-.10	Change of Ownership or Location		
0940-05-02-.11	Time Limits	0940-05-02-.22	Unannounced Inspection
0940-05-02-.12	Deemed Compliance	0940-05-02-.23	Inspection Fees
0940-05-02-.13	Access to Premises and Information	0940-05-02-.24	Assistance to Service Recipients when a License is Denied, Suspended, or Revoked
0940-05-02-.14	Grounds for Denial, Revocation, or Suspension	0940-05-02-.25	Civil Penalties for Licensees

0940-05-02-.01 STATEMENT OF AUTHORITY.

- (1) The Department of Mental Health and Substance Abuse Services is authorized to license facilities and services operated for the provision of mental health, substance abuse, and personal support services in the State of Tennessee by T.C.A. Title 33, Chapter 2, Part 4.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-405, and 33-2-407. **Administrative History:** Original rule filed November 16, 1978; effective January 1, 1979. Amendment filed May 22, 1979; effective July 10, 1979. Amendment filed December 8, 1980; effective January 22, 1981. Amendment filed November 30, 1983; effective December 30, 1983. Amendment filed March 11, 1987; effective April, 25, 1987. Repeal and new rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.02 TYPES AND CONDITIONS OF LICENSES.

- (1) Initial License. An initial license is issued to a facility or service to give the licensee an opportunity to implement minimum program requirements and to give the Department an opportunity to evaluate the facility's or service's compliance with licensure laws, ordinances, rules, and regulations. Initial licenses will not exceed 12 months.
- (2) Full License. A full license is valid for up to 12 months from the date of issuance and is issued to a facility or service when the licensee demonstrates compliance with all applicable licensure laws, ordinances, rules, and regulations as determined by the Department.
- (3) Provisional License. A provisional license may be issued to a facility or service when it does not meet all of the requirements for a full license. The Department may grant a provisional license if all of the conditions below are satisfied:
 - (a) The facility or service is making a diligent effort to comply with all licensure laws, ordinances, rules, and regulations. A "diligent effort to comply " is determined by past performances of the facility or service in meeting licensure laws, ordinances, rules and regulations and correcting deficiencies and by the facility's or service's commitments to correct existing deficiencies within time frames agreed to by the Department;

(Rule 0940-05-02-.02, continued)

- (b) The continued operation of the facility or service will not endanger the health or safety of individuals being served;
- (c) The facility or service has submitted an acceptable compliance plan specifying how and when deficiencies will be corrected. The Department will consider the seriousness of the deficiencies and the past performances of the facility or service in determining whether the compliance plan is acceptable; and
- (d) The facility or service has substantially met the commitments made in the preceding year's compliance plan, if any.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-404, 33-2-405, and 33-2-415. **Administrative History:** Original rule filed November 16, 1978; effective January 1, 1979. Amendment filed May 22, 1979; effective July 10, 1979. Amendment filed December 8, 1980; effective January 22, 1981. Amendment filed November 30, 1983; effective December 30, 1983. Repeal and new rule filed June 30, 1986; effective July 30, 1986. Amendment filed October 14, 1986; effective November 28, 1986. Repeal and new rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.03 UNLAWFUL OPERATION.

- (1) No person, partnership, association or corporation may begin delivering services until the Department issues a license. Providing mental health, substance abuse, developmental disability, intellectual disability, or personal support services without a license is unlawful and may result in civil and/or criminal sanctions pursuant to T.C.A. §§ 33-2-404, 33-2-407, 33-2-408, 33-2-409, 33-2-412, and 33-2-417.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-405, 33-2-407, 33-2-408, 33-2-409, 33-2-412, and 33-2-417. **Administrative History:** Original rule filed May 22, 1979; effective July 10, 1979. Repeal and new rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.04 APPLICATION FORMS.

- (1) The application for a license is to be made on forms prepared and supplied to the applicant by the Department.
- (2) Each application for a license must be submitted in writing, legible, with all the information requested on the application. The information gathered by the Department on the application is needed pursuant to T.C.A. § 33-2-406 to determine the applicant's responsible and reputable character and the applicant's ability to meet the minimum standards for the operation of a facility or service.
- (3) The information to be supplied to the Department is as follows:
 - (a) The name, address, and other background and identifying information of the applicant;
 - (b) A description of the location, design, and type of facility or service to be licensed;
 - (c) The name, address, and other background and identifying information of the person or persons responsible for the operation of the facility or service to be licensed including Social Security number and date of birth, place of residence during the past five years

(Rule 0940-05-02-.04, continued)

and place of birth, proof of citizenship or evidence of legal immigration status, and criminal background check;

- (d) Personal character references;
- (e) The signature of the licensee applicant or of the person charged by the licensee applicant for certifying the correctness and completeness of the application and for ensuring compliance with the licensure rules; and
- (f) Any such other information as the Department may require.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-404, 33-2-405, 33-2-406, and 33-2-407. **Administrative History:** Original rule filed May 22, 1979; effective July 10, 1979. Repeal and new rule filed May 26, 1988; effective July 11, 1988. Amendment February 12, 1992; effective March 28, 1992. Amendment filed March 19, 1992; effective May 3, 1992. Amendment filed October 3, 2002; effective December 17, 2002. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.05 FEES.

- (1) The applicant must submit fees for the processing of the application prior to the Department's making a determination to grant or to deny licensure. Each initial and renewal application for licensure must be submitted with the appropriate fees. All fees submitted are non-refundable. The fee rate is based on the number of distinct categories of service or facility, as applicable, to be operated at each site. For a residential site, the fee rate is based on the number of beds to be licensed. A fee must be submitted for each facility and/or service for which licensure is being sought under the following schedule:

Non-residential Facility Fees Per Site:

One Distinct Category of Service or Facility	\$ 810.00
Two Distinct Categories of Services or Facility	\$ 1,010.00
Three Distinct Categories of Service or Facility	\$ 1,220.00
Four Distinct Categories of Service or Facility	\$ 1,420.00
More than Four Distinct Categories of Services or Facilities	\$ 1,620.00

Residential Facility Fees Per Site:

Mental Health Hospital Facilities (per bed)	\$ 175.00
Mental Retardation Institutional Habilitation Facilities (per bed)	\$ 175.00

All Other Residential Facilities:

Number of Beds

2 – 3	\$ 200.00
4 – 10	\$ 280.00
11 – 15	\$ 410.00
16 – 50	\$ 810.00
More than 50 beds	\$ 1,220.00

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-404, 33-2-405, 33-2-406, 33-2-407, 33-2-409, and 33-2-413. **Administrative History:** Original rule filed

(Rule 0940-05-02-.05, continued)

December 8, 1980; effective January 22, 1981. Repeal and new rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.06 APPLICATION PROCESS FOR INITIAL LICENSE.

- (1) The applicant must submit application forms.
- (2) The applicant must submit the required fees for application processing.
- (3) The applicant is responsible for any fees charged by other regulatory agencies whose inspection of the facility or service is necessary for the issuance of licenses.
- (4) Upon receipt of the completed application and the required fees, the Department will arrange for needed inspections of the proposed site or sites, when applicable.
- (5) The Department will review the application, make any necessary investigations, review the results of the inspections of the proposed site or sites, when applicable, and take one of the following actions:
 - (a) If the review indicates compliance with all requirements for an initial license, the initial license will be issued;
 - (b) If the review indicates deficiencies, the applicant will be notified and must correct deficiencies before a license is issued; or
 - (c) If the review indicates that a license should not be granted, the applicant will be so notified. Within fifteen (15) calendar days of such notification of denial, the applicant may file a written request for a hearing before the Licensure Review Panel on the denial.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-405, 33-2-406, and 33-2-407. **Administrative History:** Original rule filed December 8, 1980; effective January 22, 1981. Repeal and new rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.07 APPLICATION PROCESS FOR LICENSE RENEWAL.

- (1) Prior to the expiration of an initial, full or provisional license, the Department will notify the licensee of the need to submit an application for license renewal. The Department will advise the licensee of the information, fees (by invoice), and the documents needed to process the renewal application.
- (2) The applicant must submit the renewal application, fee invoice and other information required by licensure. All payments must be accompanied by a copy of the fee invoice before the fee will be credited to the appropriate agency or service.
- (3) The applicant is responsible for any fees charged by other regulatory agencies whose inspection of the facility or service is necessary for the issuance of licenses.
- (4) The Department, when applicable, will conduct or arrange for inspections of the facility's or service's current life safety and environmental conditions, and review the facility's or service's program performance history. Dates for unannounced inspections will be random varying from year to year.

(Rule 0940-05-02-.07, continued)

- (5) Upon receipt of the application material and the required fees, the Department will review the application material, the current life safety and environmental conditions, when applicable, and the performance history of the facility or service and take one of the following actions:
 - (a) If the Department determines that all facilities or services operated by the licensee are in compliance with the applicable licensure laws, ordinances, rules, and regulations, then a full license will be issued;
 - (b) If the Department determines that all facilities or services operated by the licensee do not comply with the applicable licensure laws, ordinances, rules, and regulations, a provisional license may be issued covering the facility or service not in full compliance; or
 - (c) If the Department determines that a license should not be issued to one or more facilities or services operated by the licensee, the licensee shall be notified of the denial. Within fifteen (15) calendar days of such notification of denial, the licensee may file a written request for a hearing before the Licensure Review Panel on the denial.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-305, 33-1-309, 33-2-301, 33-2-302, and T.C.A., Title 33, Chapter 2, Part 4. **Administrative History:** Original rule filed March 11, 1987; effective April 25, 1987. Repeal and new rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.08 DISTINCT CATEGORIES OF FACILITIES AND SERVICES.

The licensure rules identify and define distinct categories of facilities or services. These facilities and services must meet applicable life safety, environmental and minimum program rules based on the type of program services and the needs of the persons served.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-3-403, 33-2-404, 33-2-405, and 33-2-407. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.09 NUMBER OF LICENSES REQUIRED.

Each licensee will be issued one license for each site at which the licensee is operating a facility or service. The license for each site will indicate what category or categories of facility and/or service is authorized to be operated at that site. However, when a licensee operates more than one category at a single site, two licenses may be issued if one or more of the categories at the site require an initial or a provisional license, and one or more are eligible for a full license.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-4-405, 33-2-406, and 33-2-407. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.10 CHANGE OF OWNERSHIP OR LOCATION.

Licenses are not assignable or transferable except as provided by law. A new application must be made and a new license issued before services are provided when there is a change in the ownership of a facility/service or a change of location.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-4-405, and 33-2-406. **Administrative History:** Original rule filed May 26, 1988; effective

(Rule 0940-05-02-.10, continued)

July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.11 TIME LIMITS.

Upon inspection of any facility or service making application for or holding a license, the Department may allow a reasonable time period for facility or service to correct deficiencies found by inspection.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-4-405, 33-2-406. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.12 DEEMED COMPLIANCE.

- (1) A facility or service which is accredited or certified by any of the following may be deemed by the Department to be in compliance ("deemed compliance status") with applicable licensure program requirements:
 - (a) Joint Commission on Accreditation of Health Care Organizations;
 - (b) Council on Accreditation of Rehabilitation Facilities (CARF);
 - (c) Social Security Act, Title XIX, Public Law 89-98, as amended (Medicaid) for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) only;
 - (d) The Accreditation Council on Services for People with Disabilities; or
 - (e) Council on Accreditation for Children and Family Services.
- (2) To be considered for a deemed compliance status determination under this section, the licensee must submit written and official evidence of certification for accreditation to the Department including any cited deficiencies with plan of correction.
- (3) Facilities or services receiving deemed compliance status must also demonstrate compliance with the life safety and environmental rules. Deemed compliance status of the services offered by a facility or service does not alter the operator's obligation to correct any deficiencies cited during the unannounced inspections required by T.C.A. § 33-2-413 or to cooperate with investigations conducted by the Department of reports of abuse, dereliction, or deficiency in the operation of the facility or service. Notwithstanding the deemed compliance of a facility's services, such a facility is subject to the suspension or revocation of its license under the terms and procedures established in T.C.A. § 33-2-407 and the rules of this chapter.
- (4) Pursuant to T.C.A. § 33-2-403(c), a facility or service which can demonstrate compliance with regulations and standards by a previously acquired license from another state agency is considered in compliance with rules promulgated by the Department to the extent that duplicate inspection and enforcement is necessary.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-405, 33-2-406, 33-2-407, 33-2-409, 33-2-411, 33-2-412, 33-2-413, and 33-2-414. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.13 ACCESS TO PREMISES AND INFORMATION.

With or without giving notice, representatives of the Department shall have the right to enter upon or into the premises of any facility or any part thereof, or service providing mental health, developmental disabilities substance abuse, or personal support services in order to make inspections deemed necessary to determine compliance with licensure laws, ordinances, regulations and rules. The facility or service shall comply with all reasonable requests of the Department and allow it to obtain information from third parties, including, but not limited to, individuals being served by the facility or service, and/or to review and obtain copies of all records of the facility or service sufficient to determine compliance with licensure laws, ordinances, regulations and rules.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-407, 33-2-413, and 33-2-420. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.14 GROUNDS FOR DENIAL, REVOCATION, OR SUSPENSION.

- (1) The maintenance and renewal of a license is contingent upon evidence of continued compliance with licensure laws, ordinances, rules and regulations. Grounds for denying, suspending or revoking a license may include, but not be limited to, the following:
 - (a) Violation of licensure law or rules;
 - (b) Permitting, aiding or abetting the commission of any illegal act in a licensed facility or service;
 - (c) Conduct or practice detrimental to the welfare of individuals being served by a licensed facility or service;
 - (d) The submission of false information to the Department; or
 - (e) The use of subterfuge (for instance, filing through a second party after an individual has been denied a license).
- (2) Unless the Department finds that summary suspension of a license is necessary, all license revocations, suspensions and denials shall be conducted in accordance with the applicable sections of the Uniform Administrative Procedures Act, Tennessee Code Annotated, Title 4, Part 5. Summary suspension may only occur when the Department determines that continued operation of a licensed facility or service presents an immediate threat to the health, safety, and welfare of individuals being served. When a summary suspension occurs, proceedings for revocation or other action against the licensee shall be promptly instituted and determined in accordance with the Uniform Administrative Procedures Act.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-405, 33-2-406, 33-2-407, and 33-2-408. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.15 EXPIRATION OF LICENSES.

The expiration date of all licenses issued by the Department will be indicated on the face of the license. However, when a licensee has made timely and sufficient application for a new license (including payment of the required fees), the existing license does not expire until the status of the application has been determined by the Department. When the application is denied or the terms of the new license limited, the existing license does not expire until the last day for seeking review of the order or a later date fixed by order of the reviewing court.

(Rule 0940-05-02-.15, continued)

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-407, 33-2-409, 33-2-411, 33-2-412, 33-2-413, 3-2-414, 3-2-416, and 33-2-417. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.16 POSTING OF THE LICENSE.

The license certificate shall be posted for public viewing in a conspicuous place at the facility or service.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, and 33-2-404. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.17 SURRENDER REQUIREMENTS.

The license certificate must be surrendered to the Department upon revocation or suspension of the license, upon transfer of ownership of the facility or service, or when the facility or service otherwise ceases to operate.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-407, and 33-2-408. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.18 EXCLUSIONS FROM LICENSURE.

The following facilities or services are excluded from the licensure jurisdiction of the Department:

- (1) A facility that is appropriately licensed by the Department of Health, and whose primary purpose is not the provision of mental health, developmental disability, or substance abuse services.
- (2) A satellite hospital, as defined by rules of the Department of Health, whose primary purpose may be the provision of mental health, developmental disability or substance abuse services, and other facilities appropriately licensed by the Department of Health pursuant to T.C.A. § 68-11-201.
- (3) A facility which is operated by county, municipal or state department of education, the Department of Correction, the Department of Human Services, or the Department of Children's Services and that affirmatively states that its primary purpose is not the provision of mental health, developmental disability, substance abuse, or personal support services.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, and 33-2-404. **Administrative History:** (Formerly numbered as 0940-5-1-.05. For history prior to July, 1988 see pages 1.001 through 1.003). Amendment filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.19 WAIVER AUTHORITY.

The Department may waive any rule determined to be irrelevant or to pose a hardship. A hardship waiver may be granted only when strict enforcement of a particular requirement would not be in the best interest of service recipients. All waivers granted will be made in writing and entered in the official record of the licensed service or facility. This written document shall include the justification for the waiver. All waivers will be reviewed by the Department and the Licensure Review Panel.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, and 33-2-404. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.20 INVESTIGATION OF ABUSE, DERELICTION, OR DEFICIENCY IN OPERATION OF A FACILITY OR SERVICE.

- (1) The Department will investigate reports or suspicion of abuse, dereliction, or deficiency in the operation of a licensed service or facility in accordance with T.C.A. § 33-2-416.
- (2) The licensee shall post a sign in the facility or service displaying the Department's regional toll-free telephone number which informs service recipients, families, and the public that they may file a complaint with the Department. Any exemptions to posting signs will be determined by the Department.
- (3) The licensee must report to the Department any serious allegations or suspicion of abuse, dereliction, or deficiency in the operation of the facility or service.
- (4) The licensee must report to the Department any significant occurrences involving the facility/service or service recipient and staffires, loss of heat/air conditioning, and/or other structural problems with the facility building(s).

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, and 33-2-416. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.21 NOTICE OF NON-COMPLIANCE AND PLAN OF COMPLIANCE.

- (1) The Department will give a Department-prepared Notice of Non-Compliance to the licensee on a form provided by the Department when an inspection or investigation of a facility/service reveals non-compliance with licensure law or rules.
- (2) The licensee must submit, by the date specified on the Notice of Non-Compliance, a written Plan of Compliance in response to the Notice of Non-Compliance.
- (3) The licensee's written Plan of Compliance shall include a description of the action taken or to be taken in correcting deficiencies, and the date by which each corrective action is completed or to be completed.
- (4) The Department will notify the licensee in writing whether the Plan of Compliance is acceptable and the basis for the decision. When the Plan of Compliance is not acceptable, the Department and licensee may continue to seek agreement. If agreement cannot be reached in a reasonable time, as determined by the Department, the Department may institute sanctions against the licensee.

- (5) The licensee shall maintain copies of the most recent compliance plans in a central location.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, and 33-2-404. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.22 UNANNOUNCED INSPECTION.

The Department shall make at least one (1) unannounced inspection of each licensed facility/service yearly.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, and 33-2-413. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.23 INSPECTION FEES.

- (1) Pursuant to T.C.A. § 33-2-413(c), the Department is granted the authority to charge a fee in an amount not to exceed fifty dollars (\$50) for inspection of any facility or service.
- (2) The Department shall invoice the applicant or licensee for each applicable inspection. The applicant or licensee shall pay the inspection fee within thirty (30) days after receipt of the invoice, unless the current license expires before the end of the 30-day period. If the current license expires before the end of the 30-day period, the licensee shall pay the inspection fee before the expiration of the current license.
- (3) The Department may withhold the issuance of a license or suspend an existing license pending the payment of the inspection fee.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, and 33-2-413. **Administrative History:** Original rule filed May 26, 1988; effective July 11, 1988. Repeal and new rule filed April 10, 2008; effective June 24, 2008. Repeal and new rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.24 ASSISTANCE TO SERVICE RECIPIENTS WHEN A LICENSE IS DENIED, SUSPENDED OR REVOKED.

When a license is to be denied, suspended, or revoked, the Department will notify the appropriate state and local agencies which may be able to provide assistance to service recipients by coordinating placement.

Authority: T.C.A. §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, and 33-2-414. **Administrative History:** Original rule filed February 3, 2014; effective May 4, 2014.

0940-05-02-.25 CIVIL PENALTIES FOR LICENSEES.

- (1) The Department may, in addition to or in lieu of any other lawful disciplinary action, assess a civil penalty for each separate violation of a licensure law or rule.
- (2) The procedure for imposing a civil penalty shall be as follows:
 - (a) Department staff shall verbally notify a licensee that a civil penalty may be imposed due to the licensee violation of a licensure law or rule;

(Rule 0940-05-02-.25, continued)

- (b) Within six (6) business days of the verbal notification, the licensee shall be notified in writing of the basis for the civil penalty and the amount imposed.
 - (c) The civil penalty shall be effective beginning on the date the written notification of the decision is issued.
 - (d) The Department may impose a penalty for each day a licensee remains in violation of a licensure rule, regulation, ordinance or law. Each licensure law, rule, regulation or ordinance violated shall constitute a separate offense.
- (3) In determining the amount of the daily penalty, the commissioner may consider the following:
 - (a) The severity of the violation and the harm or risk of harm to the service recipient;
 - (b) The willfulness of the violation;
 - (c) The circumstances leading to the violation;
 - (c) The efforts made by the facility to attain compliance;
 - (d) Any extraordinary enforcement cost incurred by the Department;
 - (e) The interest of the public; and
 - (f) Whether the civil penalty imposed will be an economic deterrent to the non-compliant activity.
- (4) The Department may impose a civil penalty in accordance with the following schedule:
 - (a) First Offense

i. Priority 1/Critical Offenses	\$ 500
ii. All other offenses	\$ 250
 - (b) Second or subsequent offense of same type within 12-month period:

i. Priority 1/Critical Offense	\$ 2500 to \$5000
ii. All other offenses	\$ 500 to \$2500
- (5) The Department may continue to work with a licensee to seek compliance with any licensure law or rule. The Department may waive any penalty determined by the Department to impose a hardship. A hardship waiver of a civil penalty may be granted only when strict enforcement of a particular requirement would not be in the best interest of service recipients.
- (6) A "Priority 1 offense" for the purposes of these rules is defined as a substantiated investigation involving the death of a service recipient; neglect physical or sexual abuse of the service recipient by the licensee or staff; and/or a serious injury to a service recipient. A "critical offense", for purposes of these rules, is defined as those Department-designated administrative rules whose violation could result in serious harm to the service recipient.

Authority: §§ 4-4-103, 33-1-302, 33-1-303, 33-1-305, 33-1-309, 33-2-301, 33-2-302, 33-2-403, 33-2-404, 33-2-407, 33-2-409, 33-2-412, 33-2-414, 33-2-416, and 33-2-417. **Administrative History:** Original rule filed February 3, 2014; effective May 4, 2014.