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2001 ASSEMBLY BILL 924

March 14, 2002 – Introduced by Representatives Johnsrud, J. Lehman, Loeffelholz, Urban, Hines, Bies and Kedzie, cosponsored by Senator Moen. Referred to Committee on Health.

AN ACT to repeal 456.04 (4); to renumber and amend 15.405 (7m); to amend 15.08 (1m) (b), 46.21 (1m) (am), 50.04 (2) (a), 59.79 (10), chapter 456 (title), 456.01 (1), 456.01 (4), 456.01 (5), 456.02 (1), 456.02 (4), 456.02 (5), 456.02 (6), 456.03, 456.04 (intro.), 456.05 (intro.), 456.05 (1), 456.05 (2), 456.05 (3), 456.07 (1), 456.07 (2), 456.07 (3), 456.07 (4), 456.08, 456.09 (1) (b), 456.09 (1) (c), 456.09 (1) (d), 456.09 (1) (e), 456.10 (1) (intro.), 456.10 (1) (bm), 456.10 (1) (c), 456.10 (1) (d) and 456.10 (2); and to create 14.405 (7m) (c), 15.405 (7m) (a) 2., 440.08 (2) (a) 38k., 456.01 (1g), 456.01 (1r), 456.01 (3m), 456.01 (5m), 456.04 (5), 456.04 (6), 456.05 (4), 456.07 (2m), 456.07 (6), 456.072, 456.078 and 456.12 of the statutes; relating to: licensing hospital administrators and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, a person may not practice as a nursing home administrator, or use such a title, unless he or she is granted a license by the nursing home administrator examining board (board). To obtain a license, a person must pass an examination regarding the laws governing long-term care facilities, the

administration of such facilities, and the needs of persons served by the facilities. A person may not take the examination unless he or she satisfies educational requirements that the board considers are adequate preparation for nursing home administration. In addition, a person may not take the examination if he or she has an arrest or conviction record the circumstances of which substantially relate to nursing home administration.

Also under current law, a nursing home administrator license expires on July 1 of each even-numbered year, unless the license is renewed. To renew a license, a person must apply to the board for a certificate of registration. In addition, the board may take disciplinary action against a person who is licensed, including suspending or revoking a license, if he or she engages in specified prohibited conduct. For example, the board may take disciplinary action if a person is incompetent or acts in a manner inconsistent with the health and safety of the residents of a nursing home, or if the nursing home that he or she administers has a pattern of serious violations of federal or state laws.

This bill requires the board to also grant licenses to hospital administrators and changes the name of the board to the hospital and nursing home administrator examining board. Under the bill, except for a hospital administrator employed by the federal government, a person may not practice as a hospital administrator, or use such a title, unless he or she is licensed as a hospital administrator by the board. The requirements for obtaining and renewing a hospital administrator license are similar to the requirements for a nursing home administrator license. For example, a person must pass an examination regarding the laws governing hospitals, the administration of hospitals, and the needs of patients served by hospitals. In addition, the bill requires both the hospital and nursing home administrator examinations to test knowledge of federal and state health care reimbursement programs.

The bill also imposes similar requirements that a person must satisfy to take the hospital administrator examination. Like the nursing home administrator examination, a person may not take the hospital administrator examination if he or she has an arrest or conviction record the circumstances of which substantially relate In addition, a person may not take the hospital to hospital administration. administrator examination unless he or she has received a bachelor's degree in administration of health care facilities or programs or has completed an educational program that the board determines is substantially equivalent to receiving such a degree. For a limited time, the board must waive this educational requirement for a person who is primarily employed as a hospital administrator on the effective date of the bill. Until five years after the bill goes into effect, such a person may take the examination even if he or she does not satisfy the educational requirement. However, when a person who receives a waiver applies to renew his or her license that expires on July 1, 2008, the person must submit evidence that he or she satisfies the educational requirement. If the person does not satisfy the educational requirement by that date, his or her license may not be renewed, and he or she may not continue to practice as a hospital administrator.

Also, the bill changes the educational requirements for a nursing home administrator license. Under the bill, a person may not take the examination for that license unless he or she has received a bachelor's degree in nursing home administration or has completed an educational program that the board determines is substantially equivalent to receiving such a degree.

In addition, the bill makes the following changes:

- 1. The bill requires a person who applies to renew a hospital administrator license to submit evidence that he or she completed at least 24 hours of continuing education during the preceding two-year period. Although current law requires a nursing home administrator to complete continuing education requirements, current law does not specify a minimum number of hours.
- 2. The bill requires the board to promulgate rules establishing a code of ethics governing the professional conduct of hospital and nursing home administrators. The rules may establish separate codes for each profession.
- 3. The bill allows the board to grant hospital administrator licenses to persons licensed as hospital administrators in other states. The board has similar authority under current law with respect to nursing home administrator licenses.
- 4. The board's authority to take disciplinary action is expanded so that the board may also take such action against persons licensed as hospital administrators. Therefore, for example, the board may take disciplinary action if a hospital administrator is incompetent or acts in a manner inconsistent with the health and safety of the patients in a hospital, or if the hospital that he or she administers has a pattern of serious violations of federal or state laws.
- 5. The bill changes the membership of the board, which consists of the following members under current law: five nursing home administrators, two public members, one physician, one nurse, and, as a nonvoting member, the secretary of health and family services or his or her designee. This bill eliminates two of the nursing home administrators and replaces them with three hospital administrators. In addition, the bill adds another nurse member to the board and requires one of the nurse members to be employed in a nursing home and the other nurse member to be employed in a hospital.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- **Section 1.** 14.405 (7m) (c) of the statutes is created to read:
- 2 14.405 (7m) (c) One of the members appointed under par. (a) 4. must be
- 3 employed in a nursing home and the other member appointed under par. (a) 4. must
- 4 be employed in a hospital.

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Section 2. 15.08 (1m) (b) of the statutes is amended to read:

15.08 (1m) (b) The public members of the chiropractic examining board, the dentistry examining board, the hearing and speech examining board, the medical examining board, the respiratory care practitioners examining council and, the council on physician assistants, the board of nursing, the hospital and nursing home administrator examining board, the veterinary examining board, the optometry examining board, the pharmacy examining board, the examining board of social workers, marriage and family therapists and professional counselors, and the psychology examining board shall not be engaged in any profession or occupation concerned with the delivery of physical or mental health care.

SECTION 3. 15.405 (7m) of the statutes is renumbered 15.405 (7m) (a) (intro.) and amended to read:

15.405 (7m) (a) (intro.) Nursing Hospital and nursing home administrator examining board in the department of regulation and licensing consisting of 9 members appointed for staggered 4-year terms and the secretary of health and family services or a designee, who shall serve as a nonvoting member. Five, and the following members appointed for 4-year terms:

- 1. Three members shall be who are nursing home administrators licensed in this state under ch. 456.
 - 3. One member shall be who is a physician. One member shall be a nurse
 - 4. Two members who are nurses licensed under ch. 441.
 - 5. Two public members shall be public members.
- (b) No more than 2 members <u>appointed under par.</u> (a) 1. to 5. may be officials or full-time employees of this state.

SECTION 4. 15.405 (7m) (a) 2. of the statutes is created to read:

15.405 (7m) (a) 2. Three members who are hospital administrators licensed under ch. 456.

SECTION 5. 46.21 (1m) (am) of the statutes is amended to read:

46.21 (1m) (am) The county executive shall appoint under ss. 63.01 to 63.17 an administrator of the county hospital. The appointment shall be made on the basis of recognized and demonstrated public interest in and knowledge of the problems of delivery of medical care and treatment, and with due regard to training, experience, executive and administrative ability and efficiency, and general qualifications and fitness for performing the duties of the office. An administrator may not be appointed under this paragraph unless he or she is licensed as a hospital administrator under ch. 456. The administrator shall file an official oath and bond in the amount determined by the county board of supervisors. The county board of supervisors may create positions to assist the administrator. The administrator shall be appointed by the county executive in the unclassified civil service, and the appointment is subject to confirmation by the county board of supervisors under s. 59.17 (2) (bm).

Section 6. 50.04 (2) (a) of the statutes is amended to read:

50.04 (2) (a) No nursing home within the state may operate except under the supervision of an administrator licensed under ch. 456 by the <u>hospital and</u> nursing home <u>administrators</u> <u>administrator</u> examining board. If the holder of a nursing home license is unable to secure a new administrator because of the departure of an administrator, such license holder may, upon written notice to the department and upon the showing of a good faith effort to secure a licensed administrator, place the nursing home in the charge of an unlicensed individual subject to conditions and time limitations established by the department, with advice from the <u>hospital and</u>

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nursing home administrator examining board. An unlicensed individual who administers a nursing home as authorized under this subsection is not subject to the penalty provided under s. 456.09.

SECTION 7. 59.79 (10) of the statutes is amended to read:

59.79 (10) County Hospital. Determine policy for the operation, maintenance, and improvement of the county hospital under s. 49.71 (2) and, notwithstanding the powers and duties specified under s. 46.21 (2) (k), (3r), and (6) with respect to the county hospital and the administrator and specified under s. 46.21 (2) (b), (L), (m), (n), (nm), (o), (p), and (q) and (3g), provide for the management of the county hospital as the board considers appropriate, except that the employee positions at the hospital will be county employee positions and except that the board may not employ a person as a hospital administrator unless he or she is licensed as such under ch. 456. If the board acts under this subsection, the board may not discontinue operation, maintenance, and improvement of the county hospital under s. 49.71 (2) and shall exercise the duties under s. 46.21 (4m). This subsection does not apply if the board acts under s. 46.21 with respect to the county hospital under s. 49.71 (2).

SECTION 8. 440.08 (2) (a) 38k. of the statutes is created to read:

440.08 (2) (a) 38k. Hospital administrator: July 1 of each even-numbered year; \$53.

Section 9. Chapter 456 (title) of the statutes is amended to read:

CHAPTER 456

HOSPITAL AND NURSING HOME

ADMINISTRATOR EXAMINING BOARD

SECTION 10. 456.01 (1) of the statutes is amended to read:

1	456.01 (1) "Examining board" means the hospital and nursing home
2	administrator examining board.
3	Section 11. 456.01 (1g) of the statutes is created to read:
4	456.01 (1g) "Hospital" has the meaning given in s. 50.33 (2).
5	Section 12. 456.01 (1r) of the statutes is created to read:
6	456.01 (1r) "Hospital administrator" means any individual responsible for
7	planning, organizing, directing, and controlling the operation of a hospital, or who
8	in fact performs such functions, whether or not such functions are shared by one or
9	more other persons.
10	Section 13. 456.01 (3m) of the statutes is created to read:
11	456.01 (3m) "Practice of hospital administration" means the planning,
12	organizing, directing, and controlling of the operation of a hospital.
13	Section 14. 456.01 (4) of the statutes is amended to read:
14	456.01 (4) "Practice of nursing home administration" means the planning,
15	organizing, directing, and control controlling of the operation of a nursing home.
16	Section 15. 456.01 (5) of the statutes is amended to read:
17	456.01 (5) "Provisional license" is a temporary license issued to a provisional
18	hospital or nursing home administrator under this chapter.
19	Section 16. 456.01 (5m) of the statutes is created to read:
20	456.01 (5m) "Provisional hospital administrator" means an individual who has
21	been licensed as such under this chapter.
22	Section 17. 456.02 (1) of the statutes is amended to read:
23	456.02 (1) Develop, impose, and enforce standards which must be met by
24	individuals in order to receive a license as a <u>hospital or</u> nursing home administrator,
25	which standards shall be designed to insure that hospital or nursing home

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administrators will be individuals who are of good character and are otherwise suitable, and who, by training or experience in the field of institutional administration, are qualified to serve as <u>hospital or</u> nursing home administrators;

Section 18. 456.02 (4) of the statutes is amended to read:

456.02 (4) Establish and carry out procedures designed to insure that individuals licensed as <u>hospital or</u> nursing home administrators will, during any period that they serve as such, comply with the requirements of such standards;

Section 19. 456.02 (5) of the statutes is amended to read:

456.02 **(5)** Subject to the rules promulgated under s. 440.03 (1), receive, investigate, and take appropriate action with respect to, any charge or complaint filed with the examining board to the effect that any individual licensed as a <u>hospital</u> or nursing home administrator has failed to comply with the requirements of such standards;

Section 20. 456.02 (6) of the statutes is amended to read:

456.02 (6) In cooperation with other agencies and appropriate organizations, conduct a continuing study of the practice of <u>hospital and</u> nursing home administration within the state with a view to the improvement of the standards imposed for the licensing of such administrators and of procedures and methods for the enforcement of such standards with respect to administrators of <u>hospitals or</u> nursing homes who have been licensed as such;

Section 21. 456.03 of the statutes is amended to read:

456.03 Licenses. An applicant for a license as a <u>hospital or</u> nursing home administrator who has successfully complied with the requirements for licensure under this chapter and passed the examination shall be granted a license by the examining board, certifying that the applicant, <u>depending on the license granted</u>,

has met the requirements of the laws and rules entitling the applicant to serve, act,
practice, and otherwise hold himself or herself out as a duly licensed <u>hospital or</u>
nursing home administrator.
SECTION 22. 456.04 (intro.) of the statutes is amended to read:
456.04 Examination requirements. (intro.) The examining board shall
allow any person to take the examination for licensure as a <u>hospital or</u> nursing home
administrator who satisfies all of the following requirements:
SECTION 23. 456.04 (4) of the statutes is repealed.
SECTION 24. 456.04 (5) of the statutes is created to read:
456.04 (5) For licensure as a nursing home administrator, received a bachelor's
degree in nursing home administration or has completed an educational program
that the examining board determines is substantially equivalent to receiving a
bachelor's degree in nursing home administration.
Section 25. 456.04 (6) of the statutes is created to read:
456.04 (6) Except as provided in s. 456.072 (1), for licensure as a hospital
administrator, received a bachelor's degree in administration of health care facilities
or programs or has completed an educational program that the examining board
determines is substantially equivalent to receiving a bachelor's degree in
administration of health care facilities or programs.
Section 26. 456.05 (intro.) of the statutes is amended to read:
456.05 Examinations. (intro.) The examining board shall determine the
subjects of examination for applicants for licensure as <u>hospital or</u> nursing home
administrators, and the scope, content, and format of such examinations. The
Depending on the license applied for, the examinations shall include examination of

the applicant's knowledge of each of the following:

1	SECTION 27. 456.05 (1) of the statutes is amended to read:
2	456.05 (1) The laws governing the operation of hospitals or long-term care
3	facilities and the protection of the interests, safety, and well-being of the patients or
4	residents therein; and.
5	Section 28. 456.05 (2) of the statutes is amended to read:
6	456.05 (2) The elements of proper and effective administration of hospitals or
7	long-term care facilities; and.
8	Section 29. 456.05 (3) of the statutes is amended to read:
9	456.05 (3) The psychological, physical, medical, and social needs of persons
10	served in such hospitals or long-term care facilities.
11	Section 30. 456.05 (4) of the statutes is created to read:
12	456.05 (4) The requirements and procedures of federal and state health care
13	reimbursement programs.
14	Section 31. 456.07 (1) of the statutes is amended to read:
15	456.07 (1) Every individual who holds a license as a hospital or nursing home
16	administrator issued by the department shall biennially apply to the examining
17	board for a new certificate of registration and report any facts requested by the
18	examining board on forms provided for such purpose.
19	Section 32. 456.07 (2) of the statutes is amended to read:
20	456.07 (2) The application for a new certificate of registration shall include the
21	applicable renewal fee specified under s. 440.08 (2) (a) and, except as provided in sub.
22	(2m) and s. 456.072 (2), evidence satisfactory to the examining board that during the
23	biennial period immediately preceding application for registration the applicant has
24	attended a continuation continuing education program or course of study. During
25	the time between initial licensure and commencement of a full 2-year licensure

period new licensees shall not be required to meet continuing education requirements. All registration fees are payable on or before the applicable renewal date specified under s. 440.08 (2) (a).

SECTION 33. 456.07 (2m) of the statutes is created to read:

456.07 **(2m)** The examining board may not issue a certificate of registration under sub. (3) to an applicant for renewal of a hospital administrator license unless the applicant submits evidence satisfactory to the examining board that he or she has completed at least 24 hours of continuing education programs or courses of study during the biennial period immediately preceding the application.

SECTION 34. 456.07 (3) of the statutes is amended to read:

456.07 (3) Upon approval of an application for registration the examining board shall issue a certificate of registration to the <u>hospital or</u> nursing home administrator.

Section 35. 456.07 (4) of the statutes is amended to read:

456.07 (4) The license of a <u>hospital or</u> nursing home administrator who fails to comply with this section, and who continues to act as a <u>hospital or</u> nursing home administrator, may be suspended or revoked by the examining board.

Section 36. 456.07 (6) of the statutes is created to read:

456.07 (6) Except as provided in s. 456.12, only an individual who has qualified as a licensed and registered hospital administrator under this chapter and who holds a valid current registration certificate under this section for the current registration period may use the title "Hospital Administrator" and the abbreviation "H.A." after the person's name. No other person may use or be designated by such title or such abbreviation or any other words, letters, sign, card, or device tending to or intended to indicate that the person is a licensed and registered hospital administrator.

Section 37. 456.072 of the statutes is created to read:

456.072 Educational waiver for hospital administrators. (1) If a person takes the examination for licensure as a hospital administrator before the first day of the 60th month beginning after the effective date of this subsection [revisor inserts date], the examining board shall waive the requirement under s. 456.04 (6) if the person submits evidence satisfactory to the examining board that, on the effective date of this subsection [revisor inserts date], the person was primarily employed as a hospital administrator.

(2) The examining board may not renew a hospital administrator license that expires on July 1, 2008, of a person who receives a waiver under sub. (1) unless that person submits evidence satisfactory to the examining board, in addition to the evidence specified in s. 456.07 (2), that the person has received a bachelor's degree in administration of health care facilities or programs or has completed an educational program that the examining board determines is substantially equivalent to receiving a bachelor's degree in administration of health care facilities or programs.

Section 38. 456.078 of the statutes is created to read:

456.078 Code of ethics. The examining board shall promulgate rules establishing a code of ethics to govern the professional conduct of hospital and nursing home administrators. The rules may establish separate codes for hospital and nursing home administrators.

Section 39. 456.08 of the statutes is amended to read:

456.08 Reciprocity. The examining board may grant a <u>hospital or</u> nursing home administrator license under this chapter to a person who holds a <u>hospital or</u> nursing home administrator license issued by the proper authorities of any other

1	state, upon payment of the fee specified in s. 440.05 (2) and upon submission of
2	satisfactory evidence of the person's qualifications.
3	Section 40. 456.09 (1) (b) of the statutes is amended to read:
4	456.09 (1) (b) Practice as a hospital or nursing home administrator, under cover
5	of any license or registration illegally or fraudulently obtained or unlawfully issued;
6	or
7	Section 41. 456.09 (1) (c) of the statutes is amended to read:
8	456.09 (1) (c) Practice Except as provided in s. 456.12, practice as a hospital or
9	nursing home administrator or use in connection with his or her name any
10	designation tending to imply that the person is a hospital or nursing home
11	administrator unless duly licensed and registered to so practice under this chapter;
12	or
13	Section 42. 456.09 (1) (d) of the statutes is amended to read:
14	456.09 (1) (d) Practice as a hospital or nursing home administrator during the
15	time his or her license or registration issued under this chapter is suspended or
16	revoked; or
17	Section 43. 456.09 (1) (e) of the statutes is amended to read:
18	456.09 (1) (e) Otherwise violate this chapter or a rule promulgated under this
19	<u>chapter</u> .
20	Section 44. 456.10 (1) (intro.) of the statutes is amended to read:
21	456.10 (1) (intro.) Subject to the rules promulgated under s. 440.03 (1), the
22	examining board may, under sub. (2), revoke, limit, or suspend the license or
23	registration of any person practicing or offering to practice <u>hospital or</u> nursing home
24	administration or may reprimand, censure, or otherwise discipline a licensee under
25	this section if any of the following is applicable:

Section 45. 456.10 (1) (bm) of the statutes is amended to read:
456.10 (1) (bm) Proof is submitted that the licensee has wilfully willfully or
repeatedly acted in a manner inconsistent with the health and safety of the patients
or residents of the hospital or nursing home in which the licensee is the
administrator.
Section 46. 456.10 (1) (c) of the statutes is amended to read:
456.10 (1) (c) Proof is submitted that the licensee is guilty of fraud or deceit in
his or her admission to the practice of <u>hospital or</u> nursing home administration.
Section 47. 456.10 (1) (d) of the statutes is amended to read:
456.10 (1) (d) Proof is submitted that while the licensee was the administrator
of a <u>hospital or</u> nursing home, that <u>hospital or</u> nursing home engaged in conduct that
constituted a pattern of serious violations of federal or state statutes, rules, or
regulations.
Section 48. 456.10 (2) of the statutes is amended to read:
456.10 (2) The examining board shall have jurisdiction to hear all charges
brought under this section against persons licensed and registered as <u>hospital or</u>
nursing home administrators or licensed as provisional <u>hospital or</u> nursing home
administrators and upon such hearings shall determine such charges upon their
merits. If the examining board determines that such person is guilty of the charges,
the license or registration may be revoked or suspended or the licensee may be
reprimanded, censured, or disciplined.
Section 49. 456.12 of the statutes is created to read:
456.12 Exemption. This chapter does not apply to a person employed as a
hospital administrator by the federal government.

SECTION 50. Nonstatutory provisions.

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- (1) DEFINITION. In this section, "board" means the hospital and nursing home administrator examining board.
 - (2) Hospital and nursing home administrator board members.
- (a) Notwithstanding section 17.07 (3) of the statutes, the governor shall, no later than the first day of the 4th month beginning after the effective date of this paragraph, designate for removal from the board 2 of the nursing home administrator members whose terms otherwise expire on July 1, 2006, and the terms of the 2 members who are so designated shall expire on the first day of the 7th month beginning after the effective date of this paragraph.
- (b) Notwithstanding section 15.405 (7m) (a) of the statutes, as affected by this act, the initial hospital administrator members of the board shall be appointed by the first day of the 7th month beginning after the effective date of this paragraph for the following terms:
 - 1. One member for a term expiring on July 1, 2005.
 - 2. One member for a term expiring on July 1, 2006.
- 3. One member for a term expiring on July 1, 2007.
- (c) Notwithstanding section 15.405 (7m) (a) 2. of the statutes, as created by this act, an initial hospital administrator member of the board appointed under paragraph (b) is not required to be licensed as a hospital administrator under chapter 456 of the statutes if the individual was, at the time of appointment, primarily employed as a hospital administrator, as defined in section 456.01 (1r) of the statutes, as created by this act.
 - (3) Nurse members of board.

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- (a) Notwithstanding section 15.405 (7m) (a), of the statutes, as affected by this act, the term of the nurse member of the board appointed under section 15.405 (7m) of the statutes shall expire on the effective date of this paragraph.
- (b) Notwithstanding section 15.405 (7m) (a) of the statutes, as affected by this act, the nurse members of the board shall be appointed by the first day of the 7th month beginning after the effective date of this paragraph for the following terms:
 - 1. One member for a term expiring on July 1, 2005.
 - 2. One member for a term expiring on July 1, 2006.
- (c) Notwithstanding section 15.08 (1) of the statutes, if the governor appoints as a nurse member of the board under paragraph (b) the same individual whose membership expired under paragraph (a), the expired term and the term specified under par. (b) shall be considered one term for purposes of the prohibition on not serving more than 2 terms that is specified in section 15.08 (1) of the statutes.

Section 51. Initial applicability.

- (1) The treatment of sections 456.04 (4), (5), and (6) and 456.05 (4) of the statutes first applies to examinations for which an application to take the examination is received on the effective date of this subsection.
- **Section 52. Effective dates.** This act takes effect on the first day of the 7th month beginning after publication, except as follows:
 - (1) Section 50 of this act takes effect on the day after publication.

21 (END)