

**§ 1396r-2. Information concerning sanctions taken by State licensing authorities against health care practitioners and providers**

**(a) Information reporting requirement**

The requirement referred to in section 1396a(a)(49) of this title is that the State must provide for the following:

**(1) Information reporting system**

**(A) Licensing or certification actions**

The State must have in effect a system of reporting the following information with respect to formal proceedings (as defined by the Secretary in regulations) concluded against a health care practitioner or entity by a State licensing or certification agency:

- (i) Any adverse action taken by such licensing authority as a result of the proceeding, including any revocation or suspension of a license (and the length of any such suspension), reprimand, censure, or probation.
- (ii) Any dismissal or closure of the proceedings by reason of the practitioner or entity surrendering the license or leaving the State or jurisdiction.
- (iii) Any other loss of license or the right to apply for, or renew, a license by the practitioner or entity, whether by operation of law, voluntary surrender, non-renewability, or otherwise.
- (iv) Any negative action or finding by such authority, organization, or entity regarding the practitioner or entity.

**(B) Other final adverse actions**

The State must have in effect a system of reporting information with respect to any final adverse action (not including settlements in which no findings of liability have been made) taken against a health care provider, supplier, or practitioner by a State law or fraud enforcement agency.

**(2) Access to documents**

The State must provide the Secretary (or an entity designated by the Secretary) with access to such documents of a State licensing or certification agency or State law or fraud enforcement agency as may be necessary for the Secretary to determine the facts and circumstances concerning the actions and determinations described in such paragraph for the purpose of carrying out this chapter.

**(b) Form of information**

The information described in subsection (a)(1) of this section shall be provided to the Secretary (or to an appropriate private or public agency, under suitable arrangements made by the Secretary with respect to receipt, storage, protection of confidentiality, and dissemination of information) in such a form and manner as the Secretary determines to be appropriate in order to provide for activities of the Secretary under this chapter and in order to provide, directly or through suitable arrangements made by the Secretary, information—

- (1) to agencies administering Federal health care programs, including private entities administering such programs under contract,

- (2) to State licensing or certification agencies and Federal agencies responsible for the licensing and certification of health care providers, suppliers, and licensed health care practitioners;<sup>1</sup>

- (3) to State agencies administering or supervising the administration of State health care programs (as defined in section 1320a-7(h) of this title),

- (4) to utilization and quality control peer review organizations described in part B of subchapter XI of this chapter and to appropriate entities with contracts under section 1320c-3(a)(4)(C) of this title with respect to eligible organizations reviewed under the contracts, but only with respect to information provided pursuant to subsection (a)(1)(A),

- (5) to State law or fraud enforcement agencies,

- (6) to hospitals and other health care entities (as defined in section 431 of the Health Care Quality Improvement Act of 1986 [42 U.S.C. 11151]), with respect to physicians or other licensed health care practitioners that have entered (or may be entering) into an employment or affiliation relationship with, or have applied for clinical privileges or appointments to the medical staff of, such hospitals or other health care entities (and such information shall be deemed to be disclosed pursuant to section 427 [42 U.S.C. 11137] of, and be subject to the provisions of, that Act [42 U.S.C. 11101 et seq.]), but only with respect to information provided pursuant to subsection (a)(1)(A),

- (7) to health plans (as defined in section 1320a-7c(c) of this title);<sup>1</sup>

- (8) to the Attorney General and such other law enforcement officials as the Secretary deems appropriate, and

- (9) upon request, to the Comptroller General, in order for such authorities to determine the fitness of individuals to provide health care services, to protect the health and safety of individuals receiving health care through such programs, and to protect the fiscal integrity of such programs.

**(c) Confidentiality of information provided**

The Secretary shall provide for suitable safeguards for the confidentiality of the information furnished under subsection (a) of this section. Nothing in this subsection shall prevent the disclosure of such information by a party which is otherwise authorized, under applicable State law, to make such disclosure.

**(d) Disclosure and correction of information**

**(1) Disclosure**

With respect to information reported pursuant to subsection (a)(1), the Secretary shall—

- (A) provide for disclosure of the information, upon request, to the health care practitioner who, or the entity that, is the subject of the information reported; and

- (B) establish procedures for the case where the health care practitioner or entity disputes the accuracy of the information reported.

<sup>1</sup> So in original. The semicolon probably should be a comma.

**(2) Corrections**

Each State licensing or certification agency and State law or fraud enforcement agency shall report corrections of information already reported about any formal proceeding or final adverse action described in subsection (a), in such form and manner as the Secretary prescribes by regulation.

**(e) Fees for disclosure**

The Secretary may establish or approve reasonable fees for the disclosure of information under this section. The amount of such a fee may not exceed the costs of processing the requests for disclosure and of providing such information. Such fees shall be available to the Secretary to cover such costs.

**(f) Protection from liability for reporting**

No person or entity, including any agency designated by the Secretary in subsection (b), shall be held liable in any civil action with respect to any reporting of information as required under this section, without knowledge of the falsity of the information contained in the report.

**(g) References**

For purposes of this section:

**(1) State licensing or certification agency**

The term “State licensing or certification agency” includes any authority of a State (or of a political subdivision thereof) responsible for the licensing of health care practitioners (or any peer review organization or private accreditation entity reviewing the services provided by health care practitioners) or entities.

**(2) State law or fraud enforcement agency**

The term “State law or fraud enforcement agency” includes—

- (A) a State law enforcement agency; and
- (B) a State medicaid fraud control unit (as defined in section 1396b(q) of this title).

**(3) Final adverse action****(A) In general**

Subject to subparagraph (B), the term “final adverse action” includes—

- (i) civil judgments against a health care provider, supplier, or practitioner in State court related to the delivery of a health care item or service;
- (ii) State criminal convictions related to the delivery of a health care item or service;
- (iii) exclusion from participation in State health care programs (as defined in section 1320a-7(h) of this title);
- (iv) any licensing or certification action described in subsection (a)(1)(A) taken against a supplier by a State licensing or certification agency; and
- (v) any other adjudicated actions or decisions that the Secretary shall establish by regulation.

**(B) Exception**

Such term does not include any action with respect to a malpractice claim.

**(h) Appropriate coordination**

In implementing this section, the Secretary shall provide for the maximum appropriate co-

ordination with part B of the Health Care Quality Improvement Act of 1986 (42 U.S.C. 11131 et seq.) and section 1320a-7e of this title.

(Aug. 14, 1935, ch. 531, title XIX, § 1921, as added Pub. L. 100-93, § 5(b), Aug. 18, 1987, 101 Stat. 690; amended Pub. L. 101-508, title IV, § 4752(f)(1), Nov. 5, 1990, 104 Stat. 1388-208; Pub. L. 111-148, title VI, § 6403(b), Mar. 23, 2010, 124 Stat. 764.)

## REFERENCES IN TEXT

Part B of subchapter XI of this chapter, referred to in subsec. (b)(4), is classified to section 1320c et seq. of this title.

The Health Care Quality Improvement Act of 1986 and that Act, referred to in subsecs. (b)(6) and (h), are title IV of Pub. L. 99-660, Nov. 14, 1986, 100 Stat. 3784, which is classified generally to chapter 117 (§ 11101 et seq.) of this title. Part B of the Act is classified generally to subchapter II (§ 11131 et seq.) of chapter 117 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 11101 of this title and Tables.

## PRIOR PROVISIONS

A prior section 1921 of act Aug. 14, 1935, was renumbered section 1939 and is classified to section 1396v of this title.

## AMENDMENTS

2010—Subsec. (a)(1). Pub. L. 111-148, § 6403(b)(1)(A)(ii), redesignated subpars. (A) to (D) as cls. (i) to (iv), respectively, of subpar. (A).

Pub. L. 111-148, § 6403(b)(1)(A)(i), which directed adding subpar. (A) and striking out “The State” and all that follows through the “semicolon”, was executed by adding subpar. (A) and striking out “The State must have in effect a system of reporting the following information with respect to formal proceedings (as defined by the Secretary in regulations) concluded against a health care practitioner or entity by any authority of the State (or of a political subdivision thereof) responsible for the licensing of health care practitioners (or any peer review organization or private accreditation entity reviewing the services provided by health care practitioners) or entities:”, to reflect the probable intent of Congress.

Subsec. (a)(1)(A)(iii). Pub. L. 111-148, § 6403(b)(1)(A)(iii), substituted “license or the right to apply for, or renew, a license by” for “the license of” and inserted “nonrenewability,” after “voluntary surrender.”.

Subsec. (a)(1)(B). Pub. L. 111-148, § 6403(b)(1)(A)(iv), added subpar. (B).

Subsec. (a)(2). Pub. L. 111-148, § 6403(b)(1)(B), substituted “a State licensing or certification agency or State law or fraud enforcement agency” for “the authority described in paragraph (1)”.

Subsec. (b)(2). Pub. L. 111-148, § 6403(b)(2)(A), added par. (2) and struck out former par. (2) which read as follows: “to licensing authorities described in subsection (a)(1) of this section.”.

Subsec. (b)(4). Pub. L. 111-148, § 6403(b)(2)(B), inserted “, but only with respect to information provided pursuant to subsection (a)(1)(A)” before comma at end.

Subsec. (b)(5). Pub. L. 111-148, § 6403(b)(2)(C), added par. (5) and struck out former par. (5) which read as follows: “to State medicaid fraud control units (as defined in section 1396b(q) of this title).”.

Subsec. (b)(6). Pub. L. 111-148, § 6403(b)(2)(B), inserted “, but only with respect to information provided pursuant to subsection (a)(1)(A)” before comma at end.

Subsec. (b)(7) to (9). Pub. L. 111-148, § 6403(b)(2)(D), (E), added par. (7) and redesignated former pars. (7) and (8) as (8) and (9), respectively.

Subsecs. (d) to (g). Pub. L. 111-148, § 6403(b)(3), added subsecs. (d) to (g). Former subsec. (d) redesignated (h).

Subsec. (h). Pub. L. 111-148, § 6403(b)(3), (4), redesignated subsec. (d) as (h) and substituted “In implement-

ing this section, the Secretary shall provide for the maximum appropriate coordination with part B of the Health Care Quality Improvement Act of 1986 (42 U.S.C. 11131 et seq.) and section 1320a-7e of this title." for "The Secretary shall provide for the maximum appropriate coordination in the implementation of subsection (a) of this section and section 422 of the Health Care Quality Improvement Act of 1986."

1990—Subsec. (a)(1). Pub. L. 101-508, § 4752(f)(1)(A), inserted "(or any peer review organization or private accreditation entity reviewing the services provided by health care practitioners)" after "health care practitioners" in introductory provisions.

Subsec. (a)(1)(D). Pub. L. 101-508, § 4752(f)(1)(B), added subpar. (D).

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-148 effective on the first day after the final day of the transition period defined in section 6403(d)(5) of Pub. L. 111-148, see section 6403(d)(6) of Pub. L. 111-148, set out as a Transition Process; Regulations; Effective Date of 2010 Amendment note under section 1320a-7e of this title.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Section 4752(f)(2) of Pub. L. 101-508 provided that: "The amendments made by paragraph (1) [amending this section] shall apply to State information reporting systems as of January 1, 1992, without regard to whether or not the Secretary of Health and Human Services has promulgated any regulations to carry out such amendments by such date."

#### EFFECTIVE DATE

Section applicable, with certain exceptions, to payments under subchapter XIX of this chapter for calendar quarters beginning more than thirty days after Aug. 18, 1987, without regard to whether or not final regulations to carry out this section have been published by that date, see section 15(c)(1), (2) of Pub. L. 100-93 set out as an Effective Date of 1987 Amendment note under section 1320a-7 of this title.

### § 1396r-3. Correction and reduction plans for intermediate care facilities for mentally retarded

#### (a) Written plans to remedy substantial deficiencies; time for submission

If the Secretary finds that an intermediate care facility for the mentally retarded has substantial deficiencies which do not pose an immediate threat to the health and safety of residents (including failure to provide active treatment), the State may elect, subject to the limitations in this section, to—

(1) submit, within the number of days specified by the Secretary in regulations which apply to submission of compliance plans with respect to deficiencies of such type, a written plan of correction which details the extent of the facility's current compliance with the standards promulgated by the Secretary, including all deficiencies identified during a validation survey, and which provides for a timetable for completion of necessary steps to correct all staffing deficiencies within 6 months, and a timetable for rectifying all physical plant deficiencies within 6 months; or

(2) submit, within a time period consisting of the number of days specified for submissions under paragraph (1) plus 35 days, a written plan for permanently reducing the number of certified beds, within a maximum of 36 months, in order to permit any noncomplying

buildings (or distinct parts thereof) to be vacated and any staffing deficiencies to be corrected (hereinafter in this section referred to as a "reduction plan").

#### (b) Conditions for approval of reduction plans

As conditions of approval of any reduction plan submitted pursuant to subsection (a)(2) of this section, the State must—

(1) provide for a hearing to be held at the affected facility at least 35 days prior to submission of the reduction plan, with reasonable notice thereof to the staff and residents of the facility, responsible members of the residents' families, and the general public;

(2) demonstrate that the State has successfully provided home and community services similar to the services proposed to be provided under the reduction plan for similar individuals eligible for medical assistance; and

(3) provide assurances that the requirements of subsection (c) of this section shall be met with respect to the reduction plan.

#### (c) Contents of reduction plan

The reduction plan must—

(1) identify the number and service needs of existing facility residents to be provided home or community services and the timetable for providing such services, in 6 month intervals, within the 36-month period;

(2) describe the methods to be used to select such residents for home and community services and to develop the alternative home and community services to meet their needs effectively;

(3) describe the necessary safeguards that will be applied to protect the health and welfare of the former residents of the facility who are to receive home or community services, including adequate standards for consumer and provider participation and assurances that applicable State licensure and applicable State and Federal certification requirements will be met in providing such home or community services;

(4) provide that residents of the affected facility who are eligible for medical assistance while in the facility shall, at their option, be placed in another setting (or another part of the affected facility) so as to retain their eligibility for medical assistance;

(5) specify the actions which will be taken to protect the health and safety of, and to provide active treatment for, the residents who remain in the affected facility while the reduction plan is in effect;

(6) provide that the ratio of qualified staff to residents at the affected facility (or the part thereof) which is subject to the reduction plan will be the higher of—

(A) the ratio which the Secretary determines is necessary in order to assure the health and safety of the residents of such facility (or part thereof); or

(B) the ratio which was in effect at the time that the finding of substantial deficiencies (referred to in subsection (a) of this section) was made; and

(7) provide for the protection of the interests of employees affected by actions under the reduction plan, including—