WAC 388-97-4260 Management agreements. (1) The licensee is responsible for the daily operations of the nursing home.
   (2) As used in this section:
   (a) "Management agreement," means a written, executed, agreement between the licensee and another individual or entity regarding the provision of certain services in a nursing home; and
   (b) "Manager" refers to the individual or entity providing services under a management agreement.
   (3) The licensee may not give the manager responsibilities that are so extensive that the licensee is relieved of responsibility for the daily operations and provisions of services of the facility. If the licensee does so, then the department must determine that a change of ownership has occurred.
   (4) The proposed licensee or the current licensee must notify the residents and their representatives sixty days before entering into a management agreement.
   (5) The department must receive a written management agreement, including an organizational chart showing the relationship between the proposed or current licensee, management company, and all related organizations:
      (a) Sixty days before:
         (i) The proposed change of ownership date;
         (ii) The initial licensure date; or
         (iii) The effective date of the management agreement; or
      (b) Thirty days before the effective date of any amendment to an existing management agreement.
   (6) Management agreements, at minimum must:
      (a) Create a principal/agent relationship between the licensee and the manager;
      (b) Describe the responsibilities of the licensee and manager, including items, services, and activities to be provided;
      (c) Require the licensee's governing body, board of directors, or similar authority to appoint the facility administrator;
      (d) Provide for maintenance and retention of all records as applicable according to rules and regulations;
      (e) Allow unlimited access by the department to documentation and records according to applicable laws or regulations;
      (f) Require the licensee to participate in monthly oversight meetings and quarterly on-site visits to the facility;
      (g) Require the manager to immediately send copies of surveys and notices of noncompliance to the licensee;
      (h) State that the licensee is responsible for ensuring all licenses, certifications, and accreditations are obtained and maintained;
      (i) State that the manager and licensee will review the management agreement annually and notify the department of changes according to applicable regulations;
      (j) Acknowledge that the licensee is the party responsible for meeting state and federal licensing and certification requirements;
      (k) Require the licensee to maintain ultimate responsibility over personnel issues relating to the operation of the nursing home and care of the residents, including but not limited to, staffing plans, orientation, and training;
      (l) Require that, even if day-to-day management of the trust funds are delegated, the licensee:
         (i) Retains all fiduciary and custodial responsibility for funds that have been deposited with the nursing home by the resident; and
(ii) Is directly accountable to the residents for such funds.

(m) Provide that if any responsibilities for the day-to-day management of the resident trust fund are delegated to the manager, then the manager must:

(i) Provide the licensee with a monthly accounting of the resident funds; and

(ii) Meet all legal requirements related to holding, and accounting for, resident trust funds; and

(n) State that the manager will not represent itself or give the appearance it is the licensee.

(7) Upon receipt of a proposed management agreement, the department may require:

(a) The licensee or manager to provide additional information or clarification;

(b) Any changes necessary to:

(i) Bring the management agreement into compliance with this section; and

(ii) Ensure that the licensee has not been relieved of the responsibility for the daily operations of the facility; and

(c) More frequent contact between the licensee and manager under subsection (6)(f).

(8) The licensee and manager must act in accordance with the terms of the management agreements. If the department determines that they are not, then the department may take action deemed appropriate.

[Statutory Authority: Chapters 18.51 and 74.42 RCW and 42 C.F.R. 489.52. WSR 08-20-062, § 388-97-4260, filed 9/24/08, effective 11/1/08.]