

**Hall of the House of Representatives**  
95th General Assembly - Regular Session, 2025  
**Amendment Form**

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**Subtitle of House Bill 1653**

TO SET STANDARDS FOR THE LICENSING AND REGULATION OF PSYCHIATRIC  
RESIDENTIAL TREATMENT FACILITIES.

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**Amendment No. 2 to House Bill 1653**

Amend House Bill 1653 as engrossed H3/5/25 (version: 3/5/25 10:07:07 AM):

Page 1, line 14, delete "FACILITIES; AND" and substitute "FACILITIES; TO  
DECLARE AN EMERGENCY; AND"

AND

Delete the subtitle in its entirety and substitute:

"TO SET STANDARDS FOR LICENSING AND  
REGULATION OF PSYCHIATRIC RESIDENTIAL  
TREATMENT FACILITIES; AND TO DECLARE AN  
EMERGENCY."

AND

Page 1, delete lines 24 through 27, and substitute the following:

"SECTION 1. Arkansas Code § 20-8-107(c) and (d), concerning the  
expansion of facilities or services permitted by Health Services Permit  
Agency, are amended to read as follows:

(c) ~~In no event shall the requirements of this subchapter apply to any  
facility licensed or approved as of March 1, 2003, by the Child Welfare  
Agency Review Board pursuant to the Child Welfare Agency Licensing Act, § 9-  
28-401 et seq., and as specifically exempted by § 9-28-407(a)(3).~~



~~(d)~~ Beginning July 1, 2005, the Health Services Permit Agency may not accept applications or requests for permits of approval to add new beds or to expand existing bed capacity of residential care facilities.

(d)(1) The Health Services Permit Agency shall recognize an exception"

AND

Page 2, line 4, delete "one thousand (1,000)" and substitute "nine hundred (900)"

AND

Page 2, delete lines 7 through 9, and substitute the following:

"approval under § 20-8-109 for any new construction of a psychiatric residential treatment facility and for any renovation project that exceeds two hundred fifty thousand dollars (\$250,000) for an existing psychiatric residential treatment facility.

(5) Any increase or decrease in the total number of authorized beds under this section shall be reviewed and approved by the Legislative Council before receiving a permit from the Health Services Permit Agency or a license from the Office of Long-Term Care.

(6) For the purposes of this section, beds used for both in-state and out-of-state clients shall be counted in capacity for the purpose of obtaining a permit from the Health Services Permit Agency."

AND

Page 3, delete lines 10 through 13, and substitute the following:

"(B)(i) A survey and certification review of a psychiatric residential treatment facility by the department shall apply to all residents being served by the entity regardless of residency or payment source.

(ii) All residents of a psychiatric residential treatment facility shall require intensive inpatient services for psychiatric conditions under the direction of a physician and the services provided shall be reasonably expected to improve the resident's condition or prevent further regression until the services are no longer needed."

AND

Page 3, delete line 22, and substitute the following:

"care;

SECTION 6. Arkansas Code § 20-10-402 is amended to read as follows:

20-10-402. License required.

(a) It shall be unlawful for any person to act or serve in the capacity of ~~nursing home~~ long-term care facility administrator in this state unless the person has been licensed to do so as authorized in this subchapter.

(b) A person who serves as an administrator of a long-term care facility conducted exclusively for persons who rely upon treatment by spiritual means through prayer in accordance with the creed or tenets of a church or religious denomination shall be exempt from subsection (a) of this section and § 20-10-101(1)-(6), § 20-10-203(b), § 20-10-212, §§ 20-10-301 – 20-10-303 [repealed], § 20-10-403, ~~§ 20-10-405(b)~~ § 20-10-405(a)(2), § 20-10-406, and § 20-10-407.

SECTION 7. Arkansas Code § 20-10-404(a), concerning the application and fees for licensure as a long-term care facility administrator, is amended to read as follows:

(a) Any person desiring to be licensed as a ~~nursing home~~ long-term care facility administrator shall make application to the Office of Long-Term Care on forms prescribed by the office and shall furnish such information with the application as shall be required by the office.

SECTION 8. Arkansas Code § 20-10-405 is amended to read as follows:

20-10-405. Renewal.

(a)(1) Every active nursing home administrator's license shall be renewed on or before July 1 of each year by paying a fee of one hundred dollars (\$100) to the Office of Long-Term Care and by furnishing written documentation that the licensee has attended and accumulated a specific number of continuing education clock hours as established by the office.

~~(b)(2)~~ The fee for those nursing home administrators not actively

employed by a nursing home facility as an administrator shall be fifty dollars (\$50.00), payable on or before July 1 of each year.

~~(e)~~(3) If the annual licensure fee in full along with the renewal application and satisfactory documentation of compliance with continuing education requirements is not postmarked or received by the office on or before July 1, the licensee shall be ineligible to perform the duties of nursing home administrator, and the license shall be deemed suspended effective July 2.

~~(d)~~(4) No request for renewal postmarked or received by the office after July 1 shall be considered unless, in addition to other requirements imposed by law or rule, the licensee tenders a late charge in the amount of fifty dollars (\$50.00).

~~(e)~~(5) Any nursing home administrator license not renewed on or before September 1 shall expire effective September 2.

(b) An administrator for a long-term care facility other than a nursing home shall be required to renew his or her license as follows:

(1) Every active administrator license shall be renewed on or before January 1 of each year by submitting a renewal application to the Department of Human Services and by furnishing written documentation that the licensee has attended and accumulated a specific number of continuing education clock hours as established by the department;

(2) If the renewal application and satisfactory documentation of compliance with continuing education requirements is not postmarked or received by the department on or before January 1, the licensee shall be ineligible to perform the duties of long-term care facility administrator, and the license shall be deemed suspended effective January 2;

(3) A request for renewal postmarked or received by the department after January 1 shall not be considered unless the licensee complies with all of the requirements imposed by law or rule; and

(4) Any long-term care facility administrator license not renewed on or before March 1 shall expire effective March 2.

SECTION 9. Arkansas Code § 20-10-407(a), concerning the denial, revocation, or suspension of a long-term care facility administrator's license, is amended to read as follows:

(a) The Department of Human Services may refuse to issue or renew a

long-term care facility administrator's license or may revoke or suspend the license of a long-term care facility administrator if the department finds that the applicant or licensee does not qualify for licensure or has violated § 20-10-101(1)-(6), § 20-10-203(b), § 20-10-212, §§ 20-10-402 and 20-10-403, ~~§ 20-10-405(b)~~ § 20-10-405(a)(2), § 20-10-406, and this section or rules of the department relating to the proper administration and management of a long-term care facility."

AND

Page 3, delete lines 30 through 36, and substitute the following:

"20-46-401. Admission of children to psychiatric residential treatment facilities.

(a) A psychiatric residential treatment facility licensed under this subchapter and holding a permit from the Health Services Permit Agency or the Health Services Permit Commission shall not admit a child for psychiatric residential treatment unless the child is:

(1) An Arkansas resident;

(2) A child of a parent who is an Arkansas resident;

(3) A child placed by or on behalf of another state's child welfare agency;

(4) A child for whom the facility is being paid by another state's Medicaid program;

(5) A child of an active-duty member or veteran of the uniformed services as defined in § 6-4-302; or

(6) A nonresident child victim of human trafficking when the regulated facility maintains responsibility for the return of the child to an out-of-state custodian.

(b) The Department of Human Services may promulgate rules to enforce this section."

AND

Page 4, delete lines 1 through 36

AND

Page 5, delete lines 1 through 3

AND

Page 5, delete lines 17 through 19, and substitute the following:

"(4) Any expansion of bed capacity by an existing licensee shall require a license from the office and a permit from the Health Services Permit Agency."

AND

Page 6, delete lines 1 through 36

AND

Page 7, delete lines 1 through 36

AND

Page 8, line 1, delete "20-46-404." and substitute "20-46-403."

AND

Page 8, delete line 19, and substitute the following:

"(7) Any special conditions or limitations of the license.

20-46-404. Services provided by psychiatric residential treatment facilities.

(a) A psychiatric residential treatment facility licensed under this subchapter shall:

(1)(A) Provide a range of comprehensive services to treat the psychiatric condition of residents on an inpatient basis under the direction of a physician.

(B) The psychiatric residential treatment facility shall certify that:

(i) Ambulatory care services available in the community do not meet the treatment needs of the resident;

(ii) Proper treatment of the resident's psychiatric condition requires services on an inpatient basis under the direction of a physician; and

(iii) The services can reasonably be expected to improve the resident's condition or prevent further regression so that the services will no longer be needed.

(C) The certification required in subdivision (a)(1)(B) of this section shall be made by an independent team that:

(i) Includes a physician;

(ii) Has competence in diagnosis and treatment of mental illness, preferably in child psychiatry; and

(iii) Has knowledge of the resident's situation; and

(2) Provide services to a resident according to an individual plan of care that:

(A) Is based on a diagnostic evaluation that includes examination of the medical, psychological, social, behavioral, and developmental aspects of the resident's situation and reflects the need for inpatient psychiatric care;

(B) Is developed by a team of professionals in consultation with the resident, parents, legal guardians, or other individuals in whose care the resident will be released after discharge;

(C) Describes clear and concise treatment objectives;

(D) Ensures continuity of care with the resident's family, school and educational requirements, and community upon discharge;

(E) Determines that services being provided are or were required on an inpatient basis; and

(F) Recommends changes in the plan of care as indicated by the resident's overall adjustment as an inpatient.

(b) The Department of Human Services shall promulgate rules to implement this subchapter, which shall include components that ensure quality of care, health and safety of residents and facility staff, and compliance with all educational requirements."

AND

Page 8, delete lines 21 through 36

AND

Page 9, delete lines 1 through 36

AND

Page 10, delete lines 1 through 36

AND

Page 11, delete lines 1 through 36

AND

Page 12, delete lines 1 through 36

AND

Page 13, delete lines 1 through 36

AND

Page 14, delete lines 1 through 36

AND

Page 15, delete lines 1 through 36

AND

Page 16, delete lines 1 through 36

AND



Page 17, delete lines 1 through 36

AND

Page 18, delete lines 1 through 36

AND

Page 19, delete lines 1 through 15

AND

Page 22, delete lines 29 through 36, and substitute the following:

"SECTION 11. Arkansas Code § 9-28-407(a)(3) and (4), concerning licenses required and issued by the Child Welfare Agency Review Board, are repealed.

~~(3) Any child welfare agency capacity licensed by the board as of March 1, 2003, whether held by the original licensee or by a successor in interest to the original licensee, is exempted from:~~

~~(A) Obtaining any license or permit from the Office of Long Term Care; and~~

~~(B)(i) Obtaining any permit from the Health Services Permit Agency or the Health Services Permit Commission to operate at the capacity licensed by the board as of March 1, 2003, except as required under subdivision (a)(3)(B)(ii) of this section.~~

~~(ii)(a) If a licensee is operating at less than or at the capacity licensed by the board as of March 1, 2021, the licensee shall obtain a permit from the Health Services Permit Agency or the Health Services Permit Commission for any increase in capacity.~~

~~(b) For the purposes of subdivision (a)(3)(B)(ii)(a) of this section, both in-state and out-of-state clients shall be counted in capacity for the purpose of obtaining a license from the board and a permit from the Health Services Permit Agency or the Health Services Permit Commission.~~

~~(4) Any new license or expansion of capacity by an~~

~~existing licensee of the board shall require a license and permit from the Office of Long Term Care or the Health Services Permit Agency.~~

SECTION 12. Arkansas Code § 9-28-407(a)(5), concerning licenses required and issued by the Child Welfare Agency Review Board, is amended to read as follows:

(5)(A) A license issued by the board under this subchapter is effective unless revoked, suspended, or terminated by the board.

~~(B) In addition to any other basis provided by law or rule, the board shall terminate the license of a psychiatric residential treatment facility licensee that has not been in operation for a consecutive twelve-month period.~~

~~(C) The Department of Human Services may recommend to the board the revocation, suspension, or termination of a license for any basis provided by law or rule, including without limitation the failure to be in operation or in substantial compliance for a consecutive six-month period.~~

SECTION 13. Arkansas Code § 9-28-407(f)(3)(F), concerning licenses required and issued by the Child Welfare Agency Review Board, is amended to read as follows:

(F) The provisions of subsection (a) of this section, ~~including those provisions regarding obtaining licenses or permits from the Office of Long Term Care and regarding obtaining any permits from the Health Services Permit Agency or the Health Services Permit Commission,~~ shall apply in their entirety to the new owner of the child welfare agency."

AND

Page 23, delete lines 1 through 32

AND

Page 24, delete line 17, and substitute the following:

~~"this section.~~

SECTION 14. Arkansas Code Title 9, Chapter 28, Subchapter 13, is

repealed.

~~Subchapter 13 — Psychiatric Residential Treatment Facilities and Other  
Regulated Facilities~~

~~9-28-1301. Definitions.~~

~~As used in this subchapter:~~

~~(1) “Psychiatric residential treatment facility” means the same as defined in § 9-28-402; and~~

~~(2) “Regulated facility” means:~~

~~(A) A psychiatric residential treatment facility licensed under the Child Welfare Agency Licensing Act, § 9-28-401 et seq.; and~~

~~(B) A psychiatric hospital licensed under § 20-9-201 et seq., that admits a child for the purpose of providing behavioral health treatment, regardless of whether the child is placed in an acute, subacute, or otherwise unlicensed bed.~~

~~9-28-1302. Quality of care — Quality assurance reviews.~~

~~(a) The Department of Human Services shall promulgate rules setting minimum standards and metrics governing the quality of care provided by a regulated facility to a child.~~

~~(b) Quality of care standards shall include that a regulated facility shall provide:~~

~~(1) Trauma informed programming and clinical services and, when applicable, evidence based treatments;~~

~~(2) Services that will be short term, target treatment episodes to reduce the likelihood of re-entry into residential treatment settings;~~

~~(3) Services that are family driven and youth guided;~~

~~(4) Mental health services and clinical services provided by clinical staff as appropriate for the child’s needs;~~

~~(5) Educational services in compliance with state and federal law and rules of the Department of Education;~~

~~(6) Coordination of all needs including medical, dental, and other needs; and~~

~~(7) Clinical discharge planning throughout the child’s stay that includes the custodian and child involvement.~~

~~(c)(1) The Department of Human Services and its designees may inspect~~

~~and investigate the quality of care for behavioral health provided to any child admitted to a regulated facility, whether or not the child is an Arkansas resident.~~

~~(2) The Department of Human Services or any other public agency having authority or responsibility with respect to child maltreatment, including without limitation the Medicaid Fraud Control Unit of the Attorney General's office, may investigate any alleged or suspected child maltreatment in any regulated facility.~~

~~(d) The Department of Human Services shall conduct quality assurance reviews for each regulated facility, consisting of the following:~~

~~(1) A review of treatment structure including without limitation:~~

~~(A) Observation of paraprofessional and direct care staff interaction with patients;~~

~~(B) Review of daily activity structure outside of school and treatment;~~

~~(C) Review of paraprofessional and direct care staff training and personnel records;~~

~~(D) Review of staff to client ratios; and~~

~~(E) Completion of client interviews;~~

~~(2) An analysis of referral data, statistics, and psychotropic medication prescriptions;~~

~~(3) An on site visit of a regulated facility's operation, to be conducted at least once per year; and~~

~~(4) Technical assistance and ongoing quality assurance and collaboration as needed.~~

~~(e) This subchapter does not require any additional licensure or certification for a regulated facility.~~

~~9-28-1303. Department enforcement authority.~~

~~(a) The Department of Human Services may initiate an adverse action against a regulated facility that:~~

~~(1) Fails to comply with the provisions of this subchapter or any rule of the department relating to quality of care;~~

~~(2) Furnishes or makes any statement or report to the department that is false or misleading;~~

~~(3) Refuses or fails to submit required reports or to make available to the department any records required by the department in making an investigation of the agency for quality of care purposes;~~

~~(4) Refuses or fails to submit to an investigation or to reasonable inspection by the department;~~

~~(5) Retaliates against an employee who in good faith reports a suspected violation of the provisions of this subchapter or the rules promulgated under this subchapter;~~

~~(6) Fails to engage in a course of professional conduct in dealing with clients being served by the regulated facility, as defined by rules promulgated under this subchapter; or~~

~~(7) Demonstrates gross negligence in carrying out the duties at the regulated facility.~~

~~(b) The department may impose an adverse action as follows:~~

~~(1) Issue letters of reprimand or caution;~~

~~(2) Require a corrective action plan; and~~

~~(3)(A) Impose civil penalties of up to two thousand five hundred dollars (\$2,500) per violation, with each day of noncompliance and each client injured as a result of noncompliance constituting a separate violation.~~

~~(B) If any person upon whom the department has levied a civil penalty fails to pay the civil penalty within sixty (60) days of the decision of the department to impose the penalty, the amount of the fine shall be considered to be a debt owed to the State of Arkansas and may be collected by civil action.~~

~~(C) Civil penalties collected under this section may be expended only for the purpose of providing technical assistance and training to regulated facilities.~~

~~(c)(1) For a regulated facility licensed under the Child Welfare Agency Licensing Act, § 9-28-401 et seq., the department may petition the Child Welfare Agency Review Board to deny, suspend, or revoke the regulated facility's license on the basis of any adverse action imposed by the department under this section.~~

~~(2) For a regulated facility licensed under § 20-9-201 et seq., the department may petition the State Board of Health to deny, suspend, or revoke the regulated facility's license on the basis of any adverse action~~

~~imposed by the department under this section.~~

~~(d) The department shall notify the regulated facility of the adverse action of the department in writing and set forth the facts forming the basis for the adverse action.~~

~~(e)(1) Adverse action hearings shall comply with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.~~

~~(2) Within ten (10) business days after rendering a decision, the department shall forward to the regulated facility written findings of fact and conclusions of law articulating the decision of the department.~~

~~9-28-1304. Rules.~~

~~The Department of Human Services shall promulgate rules to implement this subchapter.~~

SECTION 15. DO NOT CODIFY. TEMPORARY LANGUAGE. Rules.

(a) Beds within a psychiatric residential treatment facility, whether licensed on the effective date of this act or otherwise, shall not be approved and licensed under the new regulatory structure established in this act until:

(1) The Office of Long-Term Care promulgates a certification manual; and

(2) The Arkansas Medicaid Program promulgates a provider manual for psychiatric residential treatment facility services.

(b) Providers of psychiatric residential treatment facility services in this state shall have one (1) year from the effective date of this act to develop, implement, and operate services that establish the appropriate continuum of care for families as defined by the Department of Human Services.

SECTION 16. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that beds in psychiatric residential treatment facilities have been permitted but are not currently licensed; that these beds in psychiatric residential treatment facilities that are not licensed cannot be used for children in need of healthcare services despite the demand for the beds; that this act would authorize licensing of the beds in psychiatric residential treatment facilities and

therefore allow the use of these beds in psychiatric residential treatment facilities for children in need; and that this act is immediately necessary to provide healthcare services to children in need across this state who are currently not able to be admitted into a psychiatric residential treatment facility. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

AND

Appropriately renumber the sections of the bill

The Amendment was read \_\_\_\_\_  
By: Representative Cavanaugh  
JMB/JMB - 03-26-2025 10:20:03  
JMB595

\_\_\_\_\_  
Chief Clerk