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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 2. LICENSING PROVISIONS [1200 - 1796.70]** ( *Division 2 enacted by Stats. 1939, Ch. 60.* )

**CHAPTER 2.3. Referral Agencies [1400 - 1413]** ( *Chapter 2.3 added by Stats. 1973, Ch. 924.* )

**ARTICLE 1. General Provisions [1400 - 1409.3]** ( *Article 1 added by Stats. 1973, Ch. 924.* )

**1400.** (a) It is unlawful for any person, association, or corporation to establish, conduct or maintain a referral agency or to refer any person for remuneration to any extended care, skilled nursing home or intermediate care facility or a distinct part of a facility providing extended care, skilled nursing home care, or intermediate care, without first having obtained a written license therefor as provided in this chapter from the director or from an inspection service approved by the director pursuant to Section 1257.

(b) It is unlawful for any person, association, or corporation to establish, conduct, or maintain a referral agency or to refer any person for remuneration to any person or agency outside a long-term health care facility, as defined in Section 1418, for professional services for which the long-term health care facility does not employ a qualified professional person to furnish a specific service, including, but not limited to, laboratory, diagnostic, or therapy services, unless the long-term health care facility complies with current federal and state laws regarding the provision of these services and all of the following conditions are met:

- (1) The services will be provided in accordance with professional standards applicable to the provision of these services in a long-term health care facility.
- (2) The long-term health care facility assumes responsibility for timeliness of the services.
- (3) Services are provided or obtained only when ordered by the attending physician and a notation is made in the resident's medical chart reflecting that the service has been provided to the resident.

(Amended by Stats. 2004, Ch. 661, Sec. 1. Effective January 1, 2005.)

**1401.** As used in this chapter "referral agency" means a private, profit or nonprofit agency which is engaged in the business of referring persons for remuneration to any extended care, skilled nursing home or intermediate care facility or a distinct part of a facility providing extended care, skilled nursing home care, or intermediate care.

(Added by Stats. 1973, Ch. 924.)

**1403.** Each application for a license or renewal of license under this chapter shall be accompanied by an annual Licensing and Certification Program fee set in accordance with Section 1266. Each license shall expire 12 months from its date of issuance and application for renewal accompanied by the fee shall be filed with the director not later than 30 days prior to the date of expiration.

(Amended by Stats. 2006, Ch. 74, Sec. 15. Effective July 12, 2006.)

**1404.** No licensee under this chapter shall have a direct or indirect financial interest in any medical facility doing business with the licensee.

(Added by Stats. 1973, Ch. 924.)

**1404.5.** A license application shall be submitted to the department whenever any of the following circumstances occur:

- (a) Change of ownership of the referral agency.
- (b) Change of name of the referral agency.
- (c) Change of location of the referral agency.

(Added by Stats. 1985, Ch. 700, Sec. 10.)

**1405.** Any person, partnership, firm, corporation or association desiring to obtain a license shall file with the department an application on forms furnished by the department. The application shall contain all of the following:

- (a) Name of applicant, and if an individual, whether the applicant has attained the age of 18 years.
- (b) Name of referral agency.
- (c) The location of the referral agency.
- (d) The business or occupation engaged in by each applicant, and by each partner, officer and director, for at least two years immediately preceding the filing of the application. In addition, each such person shall submit a statement setting forth whether he or she has previously engaged in the operation of a referral agency, whether he or she has been involved in, or the subject of, a refusal or revocation of a referral agency license, and whether he or she has been convicted of a crime other than a minor traffic offense.
- (e) If the applicant is a corporation, the name and principal business address of each officer and director of the corporation; and for nonpublic corporations, the name and business address of each stockholder owning 10 percent or more of the stock and the name and business address of any corporation member who has responsibility in the operation of the facility.
- (f) If the applicant is a partnership, the name and principal business address of each partner.
- (g) Evidence of the right to occupy the premises where the referral agency is to be located.
- (h) A copy of the partnership agreement of the Articles of Incorporation, if applicable.
- (i) A copy of the current organization chart.
- (j) A schedule of fees to be charged and collected by the referral agency, and a statement of the method by which each fee is to be computed or determined.
- (k) A declaration that the licensee will not have any financial interest in any health facility doing business with the referral agency.
- (l) Evidence satisfactory to the department that the applicant demonstrates reputable and responsible character and the capability to comply with this chapter.

*(Repealed and added by Stats. 1985, Ch. 700, Sec. 12.)*

**1406.** This chapter shall not apply to any local public agency performing referral services without cost to recipients of public social services when otherwise authorized by law.

*(Added by Stats. 1985, Ch. 700, Sec. 13.)*

**1407.** (a) Any licensee desiring to voluntarily surrender his or her license for cancellation or temporary suspension shall notify the department in writing as soon as possible and, in all cases, at least 30 days prior to the effective date of cancellation or temporary suspension of the license.

(b) Any license placed in temporary suspension pursuant to this section may be reinstated by the department within 12 months of the date of the voluntary suspension on receipt of an application and evidence showing compliance with licensing requirements.

*(Added by Stats. 1985, Ch. 700, Sec. 14.)*

**1408.** (a) Upon verification of compliance with this chapter and with the approval of the department, the department shall issue the license to the applicant.

(b) If the applicant is not in compliance with this chapter, the department shall deny the applicant a license. Immediately upon the denial of any license, the department shall notify the applicant in writing. Within 20 days of receipt of the department's notice, the applicant may present his or her written petition for a hearing to the department. The proceedings shall be conducted in accordance with Section 100171.

*(Amended by Stats. 1997, Ch. 220, Sec. 14. Effective August 4, 1997.)*

**1409.** Separate licenses shall be required for referral agencies which are maintained on separate, noncontiguous premises.

*(Added by Stats. 1985, Ch. 700, Sec. 16.)*

**1409.1.** The license or true copy thereof shall be conspicuously posted in a prominent location accessible to public view.

*(Added by Stats. 1985, Ch. 700, Sec. 17.)*

**1409.2.** Licenses issued pursuant to this article are not transferable.

*(Added by Stats. 1985, Ch. 700, Sec. 18.)*

**1409.3.** (a) The licensee shall notify the department within 10 days in writing when a change of stockholder owning 10 percent or more of the nonpublic corporate stock occurs. The writing shall include the name and principal mailing addresses of the new stockholder.

(b) When a change of agency manager occurs, the department shall be notified in writing within 10 days by the licensee. The notification shall include the name of the new agency manager.

(c) Each licensee shall notify the department within 10 days in writing of any change of the mailing address of the licensee. The writing shall include the new mailing address of the licensee.

(d) When a change in the principal officer of a corporate licensee, chairperson, president, or general manager, occurs the department shall be notified within 10 days in writing by the licensee. The writing shall include the name and principal business address of the officer.

*(Added by Stats. 1985, Ch. 700, Sec. 19.)*