

Chapter 100

H.B. No. 1769

AN ACT

relating to requirements for assisted living facility license applicants.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 247.022, Health and Safety Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d) An assisted living facility license applicant in good standing may request an initial license that does not require an on-site health inspection. The department may not require the applicant to admit a resident to the facility before the department issues the license. The department shall require the license applicant to submit for approval policies and procedures, verification of employee background checks, and employee credentials.

(e) The department shall conduct a survey of a facility issued an initial license under Subsection (d) not later than the 90th day after the date on which the department issues the license to the facility. Until the department conducts the survey, the facility shall disclose to all residents and prospective residents that the department has not yet conducted the survey required by this subsection.

(f) For purposes of this section, a license applicant is in "good standing" if:

(1) the license applicant, or the controlling person

1 of the license applicant if the license applicant is a newly formed
2 business entity, has operated or been the controlling person of an
3 assisted living facility in this state for six consecutive years;
4 and

5 (2) each assisted living facility operated by the
6 license applicant, or operated or controlled by a controlling
7 person of the license applicant if the license applicant is a newly
8 formed business entity:

9 (A) has not had a violation that resulted in
10 actual harm to a resident or that posed an immediate threat of harm
11 causing, or likely to cause, serious injury, impairment, or death
12 of a resident; and

13 (B) in the six years preceding the date on which
14 the license applicant submits the application, has not had a
15 sanction imposed by the department against the facility, including:

16 (i) the imposition of a civil or
17 administrative penalty or an injunction;

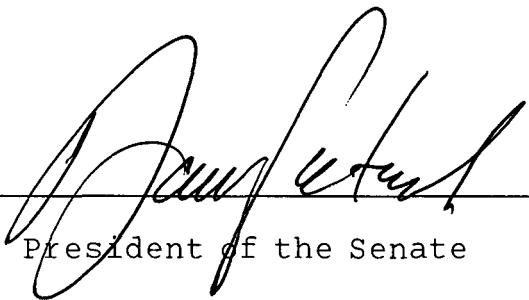
18 (ii) the denial, suspension, or revocation
19 of a license; or

20 (iii) an emergency closure.

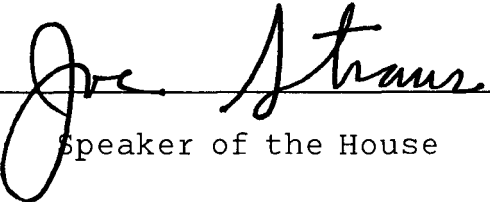
21 SECTION 2. As soon as practicable after the effective date
22 of this Act, the executive commissioner of the Health and Human
23 Services Commission shall adopt the rules necessary to implement
24 the change in law made by this Act.

25 SECTION 3. This Act takes effect September 1, 2015.

H.B. No. 1769




President of the Senate



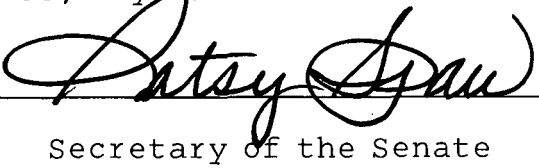
Speaker of the House

I certify that H.B. No. 1769 was passed by the House on April 17, 2015, by the following vote: Yeas 140, Nays 0, 2 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 1769 was passed by the Senate on May 12, 2015, by the following vote: Yeas 30, Nays 0.



Secretary of the Senate

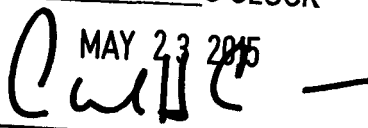
APPROVED: 5-23-2015

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
_____ O'CLOCK



Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION
Revision 1

May 6, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1769 by Zerwas (Relating to requirements for assisted living facility license applicants.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 247 of the Health and Safety Code to authorize the Department of Aging and Disability Services (DADS) to issue an initial license that does not require an on-site health inspection to assisted living facilities considered in good standing. The bill would require that DADS conduct a survey of these facilities within a certain timeframe. The bill would prohibit DADS from requiring that these facilities admit a resident before DADS conducts an on-site health inspection. The Health and Human Services Commission indicates that rulemaking activities required by the bill could be accomplished by utilizing existing resources. DADS estimates there would be costs associated with inspections and system modifications. It is assumed that these costs could be absorbed by the agency. This analysis assumes that the number of facilities seeking licensure each year remains constant.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: UP, ADe, NB, WP, VJC, SS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 8, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1769 by Zerwas (relating to requirements for assisted living facility license applicants.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1769, Committee Report 1st House, Substituted: a negative impact of (\$329,311) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$166,626)
2017	(\$162,685)
2018	(\$137,685)
2019	(\$137,685)
2020	(\$137,685)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i>
2016	(\$166,626)
2017	(\$162,685)
2018	(\$137,685)
2019	(\$137,685)
2020	(\$137,685)

Fiscal Analysis

The bill would amend Chapter 247 of the Health and Safety Code to authorize the Department of Aging and Disability Services (DADS) to issue an initial assisted living facility license that would not require an on-site health inspection to an applicant considered in good standing. The bill would require that DADS conduct a survey of these facilities within a certain timeframe. The bill would prohibit DADS from requiring that these facilities admit a resident before DADS conducts an on-site health inspection.

Methodology

DADS estimates that it would be required to conduct an additional 90 initial health inspections annually. DADS indicates that it would need 1.5 full-time equivalent positions (FTEs) to conduct the inspections. Total costs would be \$166,626 in General Revenue and All Funds for fiscal year 2016, \$162,685 in General Revenue and All Funds for fiscal year 2017, and \$137,685 in General Revenue and All Funds for every year thereafter. Salary costs would be \$84,228 per fiscal year. Benefit costs would be \$27,273 per fiscal year. Other expenses would be \$55,125 for fiscal year 2016, \$51,184 for fiscal year 2017, and \$26,184 for every year thereafter.

The Health and Human Services Commission indicates any costs related to rulemaking activities that are necessary to implement the bill would be minimal and can be absorbed within available resources.

Technology

DADS indicates there would be a cost for system modifications associated with implementing the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: UP, ADe, NB, WP, VJC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 28, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1769 by Zerwas (Relating to prohibited resident admission requirements before certain inspections of an assisted living facility license applicant.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 247, Health and Safety Code to prohibit the Department of Aging and Disability Services (DADS) from requiring that an assisted living facility license applicant admit a resident before DADS conducts an on-site health inspection. DADS indicates the bill could be implemented within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: UP, ADe, NB