

- SUBJECT:** Expediting transfers of licenses for some nursing homes
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 6 ayes — Naishtat, Chavez, Ehrhardt, Noriega, Raymond, Villarreal  
0 nays  
3 absent — J. Davis, Telford, Wohlgemuth
- SENATE VOTE:** On final passage, April 18 — voice vote
- WITNESSES:** For — *Registered but did not testify:* Bruce Bower, Texas Senior Advocacy Coalition; Tim Graves, Texas Health Care Association; David Latimer, Texas Association of Homes and Services for the Aging  
  
Against — None  
  
On — Gay Nell Harper
- BACKGROUND:** Under Health and Safety Code, chapter 242, the Texas Department of Human Services (DHS) is responsible for licensing and regulating nursing homes.
- DIGEST:** SB 772 would establish an expedited licensing process for currently licensed nursing-home operators with excellent operating records to obtain a change-of-ownership license to operate another existing nursing home. DHS would have to establish specific criteria for designating a license holder as eligible for this list. The procedure could involve allowing a license holder to submit an affidavit demonstrating that the license holder met the necessary criteria.  
  
An applicant for a change-of-ownership license would have to meet all of the existing criteria for a license renewal. Any requirement relating to inspections or to an accreditation review would apply only to institutions operated by a license holder at the time of the application.  
  
The bill would take effect September 1, 2001. DHS would have to adopt the necessary rules by March 1, 2002.

**SUPPORTERS SAY:** SB 772 would enable good nursing-home operators to take over an operation more quickly when other operators failed. Operators with excellent records should be allowed to take over operations quickly so that the nursing home does not have to move people out and close its doors while the new operator waits for a license for the new facility.

The bill would help ensure that failing nursing homes did not fall into the hands of bad operators. To obtain an expedited license, the new operator would have to have a license already, meet the criteria for renewal, and be on DHS' eligible list. These three provisions, taken together, would ensure that failing nursing homes would be handed over quickly only to good operators.

**OPPONENTS SAY:** SB 772 is unnecessary. DHS already should move with all deliberate speed to approve new licenses. This bill would apply to nursing-home operators who already had gone through the licensing process and who met the requirements for renewal, so their applications should not take long to process anyway.

**NOTES:** The bill's fiscal note estimates that it would cost the state \$392,564 in staff and automation costs during fiscal 2002-03 to implement this program, with ongoing costs of about \$102,000 per year thereafter.