

- SUBJECT:** Exempting veterans' homes from certain nursing-home licensing fees
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 8 ayes — Uresti, Naishtat, Wohlgemuth, Christian, McCall, Miller, Olivo, Reyna  
0 nays  
1 absent — Villarreal
- WITNESSES:** For — Jerry Patterson, General Land Office  
Against — None  
On — Noelle Letteri, General Land Office; (*Registered, but did not testify:*)  
Marc Gold, Texas Department of Human Services
- BACKGROUND:** In 1997, the 75th Legislature approved SB 1060 by Patterson, authorizing the construction of four veterans' homes and issuance of revenue bonds to meet the state's 35 percent share for participation in the federal Construction Grants Program to build veterans' care facilities. The federal Veterans Administration (VA) approved grants for four veterans' homes in Texas. Construction of facilities in Temple and Floresville began in 1998, and the first residents were admitted in December 2000. Two more facilities opened in 2001 in Big Spring and Bonham, and two more are planned.
- Residents of the veterans' homes pay for care through Medicare, Medicaid, veterans' pensions, private insurance, or personal resources. Also, the VA's Per Diem Grant Program pays \$50 per day for care for eligible veterans.
- The care offered in veterans' homes is subject to federal and state regulation. In Texas, the Department of Human Services (DHS) regulates nursing homes. Veterans' homes also are inspected and regulated by the VA.
- In addition to the state licensing fee for nursing homes, Texas also collects a fee for the nursing and convalescent home trust fund. This trust fund is used

for emergency assistance to buy food, medication, minor repairs, or other needed services or supplies in nursing homes when a court has determined that the nursing home has insufficient funds with which to operate, resulting in a threat to residents' health or safety.

**DIGEST:** HB 2373 would exempt veterans' homes from the additional license fee levied on nursing homes to fund the nursing and convalescent home trust fund. The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS SAY:** HB 2373 would exempt veterans' homes from this additional license fee because they never would have cause to use the nursing and convalescent home trust fund. If a veterans' home contractor experienced an emergency, the Veterans' Land Board, rather than DHS, would assume operation of the home, per federal law.

The combined loss of revenue from the additional licensing fee for the four veterans' homes, about \$7,000, could be recouped by raising the licensing fee for all other nursing homes. If DHS chose to do that, the additional annual licensing fee for a nursing home in Texas would rise from \$1,500 to \$1,506 per year.

HB 2373 would not change regulation or oversight of these homes by either DHS or VA. Both regularly inspect the homes and would continue to do so.

The author intends to propose a floor amendment that would make the Veterans' Land Board responsible for the cost of any trustee appointed for a veterans' home.

**OPPONENTS SAY:** No apparent opposition.

**NOTES:** The identical companion bill, SB 1237 by Estes, passed the Senate on the Local and Uncontested Calendar on April 16 and is scheduled for a public hearing in the House Human Services Committee on April 28.