

SUBJECT: Issuing certain licenses during assisted living facility ownership changes

COMMITTEE: Human Services — committee substitute recommended

VOTE: 8 ayes — Frank, Hinojosa, Hull, Meza, Neave, Noble, Rose, Shaheen

0 nays

1 absent — Klick

WITNESSES: For — Diana Martinez, Texas Assisted Living Association; (*Registered, but did not testify*: George Linial, LeadingAge Texas; Kevin Warren, Texas Health Care Association)

Against — None

On — (*Registered, but did not testify*: Michelle Dionne Vahalik, Health and Human Services Commission)

BACKGROUND: Under Health and Safety Code sec. 247.021, a person cannot establish or operate an assisted living facility without a license issued in accordance with statute. Sec. 247.021(h) allows the automatic issuance of a provisional license to an assisted living facility in the case of a corporate change of ownership of the facility.

Interested parties have noted that new owners of assisted living facilities operating under provisional licenses may face issues with insurers and lenders due to suspicions surrounding the discrepancy between the new owner's information and the previous owner's license. Some have suggested that issuing a temporary license in the new owner's name would increase confidence in the validity of such facilities undergoing ownership changes.

DIGEST: CSHB 2867 would require the Health and Human Services Commission (HHSC) to automatically issue a temporary license to an existing assisted living facility licensed under applicable laws that had a change of

ownership. HHSC could issue such a license without conducting an inspection of the facility if the commission determined an inspection was not necessary.

As soon as practicable after the bill's effective date, but not later than January 1, 2022, the executive commissioner of HHSC would be required to adopt rules necessary to implement the bill.

The bill would take effect September 1, 2021.