

## BILL ANALYSIS

Senate Research Center  
77R525 PAM-D

S.B. 37  
By: Zaffirini  
Health & Human Services  
1/26/2001  
As Filed

### **DIGEST AND PURPOSE**

Currently, new operators who agree to take over a nursing facility must address prior deficiencies before Medicaid reimbursement payments will resume. A temporary license, which will convert to a conventional license upon a successful survey inspection, will restore Medicaid reimbursements to a new owner and provide time to address prior deficiencies. As proposed, S.B. 37 establishes a temporary license for facility operators going through the change of ownership process.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 242B, Health and Safety Code, by adding Section 242.0335, as follows:

Sec. 242.0335. TEMPORARY CHANGE OF OWNERSHIP LICENSE. Defines “temporary change of ownership license.” Requires that the Texas Department of Human Services (department) issue a temporary license to an applicant, provided that the applicant and any other person described by Section 242.032(d) meet the requirements and standards of the department under Sections 242.032 (c), (d) and (e). Requires the department to conduct an inspection or survey of the nursing facility after the issuance of the temporary change of ownership license and prohibits the department from placing a hold on vendor payments to the temporary license holder until the inspection or survey is completed. Requires the department to issue a license under Section 242.033 to the temporary license holder if the nursing facility passes the inspection or survey, and meets the requirements of Section 242.033. Authorizes the department to place a hold on payments to the temporary license holder or take other actions authorized under this chapter if the nursing facility fails to pass the inspection or meet requirements under Section 242.033. Provides that a temporary license issued under Subsection (b) expires 90 days from its issuance.

SECTION 2. Effective date: September 1, 2001.

Makes application of this Act prospective to January 1, 2002.