

## **BILL ANALYSIS**

Senate Research Center  
87R17816 MCF-D

H.B. 2867  
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Health & Human Services  
5/17/2021  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, if a person or entity buys a nursing home, the agency issues a temporary license to the new owner while the agency conducts a thorough review of the new owner, the building conditions, and any other outstanding issues. However, if a new owner purchases an assisted living community and submits substantially similar information, the Health and Human Services Commission issues that new owner a letter saying that the new owner's business is legally permitted to operate under the previous owner's license with the state. Banks and long-term care insurance providers are increasingly uncomfortable with the length of time a new owner is operating under the previous owner's license, and it is causing repeated issues with timely reimbursements, mortgages, and filing insurance claims. Additionally, by requiring a new owner to fully complete the sale of an assisted living facility before it can begin the change of ownership process with the state agency, the new owner is effectively operating under the previous owner's license for an indeterminate period of time despite the previous owner's complete and total divestment of the property and the business.

H.B. 2867 seeks to remove some of the unnecessary burdens that this outdated practice entails by aligning assisted living community change of ownership practices with the change of ownership practices used for nursing homes.

H.B. 2867 amends current law relating to the issuance of a temporary license for an assisted living facility that has a change in ownership.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 2 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 247.021, Health and Safety Code, by amending Subsection (h) and adding Subsection (i), as follows:

(h) Requires the Health and Human Services Commission (HHSC) to automatically issue a temporary license to an existing facility licensed under Chapter 247 (Assisted Living Facilities) that has a change of ownership. Deletes existing text authorizing the Department of Aging and Disability Services to automatically issue a provisional license in the case of a corporate change of ownership of a facility.

(i) Authorizes HHSC to issue a temporary license under Subsection (h) without conducting an inspection of the facility if HHSC determines an inspection is not necessary.

SECTION 2. Requires the executive commissioner of HHSC, as soon as practicable after the effective date of this Act, but not later than January 1, 2022, to adopt rules necessary to implement this Act.

SECTION 3. Effective date: September 1, 2021.