

## **BILL ANALYSIS**

Senate Research Center

H.B. 606  
By: Zbranek (Moncrief)  
Health & Human Services  
5-2-97  
Committee Report (Amended)

### **DIGEST**

Currently, a rider in the Texas Department of Human Services' (DHS) budget prohibits the agency from contracting for additional Medicaid beds in nursing facilities unless the number of occupied Medicaid beds in a geographic area falls below a certain percentage of the total number of beds. As a result of this rider, facilities that do not have any Medicaid beds cannot obtain any as long as other facilities have an occupancy rate that does not drop under the specified percentage. This provision limits the facilities from which Medicaid recipients can choose and insulates facilities with Medicaid beds from competition in rural areas of the state. This bill would authorize DHS to contract for additional nursing home beds under the state Medicaid program in certain counties without regard to the occupancy rate of available Medicaid beds.

### **PURPOSE**

As proposed, H.B. 606 authorizes the Texas Department of Human Services to contract for additional nursing home beds under the state Medicaid program in certain counties without regard to the occupancy rate of available Medicaid beds.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 32B, Human Resources Code, by adding Section 32.0246, as follows:

Sec. 32.0246. NURSING HOME BEDS IN CERTAIN COUNTIES. Authorizes the Texas Department of Human Services (DHS), at the request of the commissioners court of a county in which not more than two nursing facilities are certified to participate in the state Medicaid program, to contract for additional nursing home beds under the state Medicaid program in the county without regard to the occupancy rate of available Medicaid beds. Requires a commissioners court that intends to make a request under this section to publish notice of its intent. Sets forth the required contents of the notice. Requires a commissioners court to determine whether to proceed with a request after considering all comments and proposals received in response to the notices. Authorizes the court to recommend that DHS contract with a specific nursing facility that submitted a proposal. Sets forth the factors the commissioners court is required to consider in determining whether to proceed with the request and whether to recommend a specific nursing facility. Prohibits DHS from contracting under this section for more than 120 additional nursing home beds per county per year and from exceeding more than 500 additional nursing home beds statewide in a calendar year.

SECTION 2. Requires DHS to request a waiver or authorization from a federal agency and allows DHS to delay implementing Section 32.0246, Human Resources Code, as added by this Act, if DHS determines that a waiver or authorization from a federal agency is necessary for implementation.

SECTION 3. Emergency clause.  
Effective date: upon passage.

## **SUMMARY OF COMMITTEE CHANGES**

### Amendment 1.

Page 2, line 12, replaces proposed Subsection (d), prohibiting DHS from contracting for more than 500 additional nursing home beds in a calender year, with a proposed Subsection (d) that prohibits DHS from contracting under this section for more than 120 additional nursing home beds per county per year and from exceeding more than 500 additional nursing home beds statewide in a calender year.