

## **BILL ANALYSIS**

Senate Research Center  
76R8545 JRD-D

S.B. 1198  
By: Moncrief  
Health Services  
3/15/1999  
As Filed

### **DIGEST**

Currently, Texas law does not require certain convalescent and nursing homes to execute a surety bond. S.B. 1198 requires certain convalescent and nursing homes to execute a surety bond.

### **PURPOSE**

As proposed, S.B. 1198 requires certain convalescent and nursing homes to execute a surety bond.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Board of Health in SECTION 1 (Section 242.0325(c), Chapter 242B, Health and Safety Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 242, Health and Safety Code, by adding Section 242.0325 as follows:

Sec. 242.0325. SURETY BOND REQUIREMENT. Requires each institution to execute a surety bond issued by a surety company authorized to do business in this state as a condition of obtaining or renewing a license, if three or more institutions that are licensed or required to be licensed under this chapter are owned by the same owner or controlled by the same person. Requires the bond to be payable to the Texas Department of Health (department) and conditioned on the institution's compliance with this chapter and rules adopted under this chapter. Requires the Texas Board of Health (board) to set the amount of the bond by rule. Requires the board to determine the amount based on the costs incurred by the department when it is necessary to close an institution, arrange for the placement of a trustee, transfer residents, or take other regulatory actions in connection with a violation of this chapter or rules adopted under this chapter.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.