

## BILL ANALYSIS

Senate Research Center  
77R2772 JRD-D

S.B. 691  
By: Moncrief  
Health & Human Services  
3/6/2001  
As Filed

### DIGEST AND PURPOSE

The 76th Texas Legislature enacted H.B. 2909 to increase the nursing home trust fund from \$500,000 to \$10 million by increasing the fees nursing homes and assisted living facilities must pay into the nursing home trust fund from \$3 per bed to \$12. Assisted living facilities feel this is too much to pay and would like to have a separate trust fund so they are not supporting the nursing home industry and possibly have a sliding scale fee. As proposed, S.B. 691 creates a trust fund of \$500,000 for assisted living facilities, separate from the nursing home trust fund. This bill provides that the fund would be built through a per bed assessment of fees to assisted living facilities by the Texas Department of Human Services.

### 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 242D, Health and Safety Code, by adding Sections 242.0965 and 242.0975, as follows:

Sec. 242.0965. ASSISTED LIVING FACILITY TRUST FUND AND EMERGENCY ASSISTANCE FUNDS. (a) Provides that the assisted living trust fund (trust fund) is a trust fund with the comptroller and is required to be made available to the Texas Department of Human Services (department) for expenditures without legislative appropriation to make emergency assistance funds available to an assisted living facility (facility).

(b) Authorizes a trustee of a facility to use the emergency assistance funds only to alleviate an immediate threat to the health or safety of the residents. Authorizes the use to include payments for certain items and services.

(c) Authorizes a court to order the department to disburse emergency assistance funds to a facility if the court finds that:

(1) the facility has inadequate funds accessible to the trustee for the operation of the facility;

(2) an emergency exists that presents an immediate threat to the health and safety of the residents; and

(3) it is in the best interests of the health and safety of the residents that funds are immediately available.

(d) Requires the department to disburse money from the assisted living facility trust fund as ordered by the court in accordance with Texas Board of Human Services rules.

(e) Requires any unencumbered amount in the trust fund in excess of \$500,000 at the end of each fiscal year to be transferred to the credit of the general revenue fund and authorizes it to be appropriated to the department for its use in administering and enforcing Chapter 247.

Sec. 242.0975. **ADDITIONAL LICENSE FEE--ASSISTED LIVING FACILITIES.** (a) Requires the department, in addition to the license fee provided by Section 247.024, to adopt an annual fee to be charged and collected if the amount of the trust fund is less than \$500,000. Requires the fee to be deposited to the credit of the trust fund created by this subchapter.

(b) Authorizes the department to charge and collect a fee under this section more than once each year only if necessary to ensure that the amount in the trust fund is sufficient to make the disbursements required under Section 242.0965. Requires the department to notify the governor and the Legislative Budget Board if the department makes a second or subsequent assessment under this subsection in any year.

(c) Requires the board to set the fee on the basis of the number of beds in facilities required to pay the fee and in an amount necessary to provide not more than \$500,000 in the fund.

SECTION 2. Amends the heading of Section 242.097, Health and Safety Code, as follows:

Sec. 242.097. New heading: **ADDITIONAL LICENSE FEE--NURSING AND CONVALESCENT HOMES.**

SECTION 3. Effective date: upon passage or September 1, 2001.