

By: Davis of Harris

H.B. No. 3513

A BILL TO BE ENTITLED

AN ACT

1
2 relating to temporary change of ownership licenses for nursing home
3 facilities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 242.0336, Health and Safety Code, is
6 amended by amending Subsections (a) and (c) through (g) and by
7 adding Subsections (b-1), (b-2), (c-1), (c-2), and (d-1) to read as
8 follows:

9 (a) For purposes of this section, a temporary change of
10 ownership license is a temporary 90-day license issued to an
11 applicant who proposes to become the new operator of an institution
12 existing on the date the application is filed.

13 (b-1) Except as provided by Subsection (b-2), the
14 department may not issue a temporary change of ownership license
15 before the 31st day after the date the department has received both:

16 (1) the application for the license; and

17 (2) the written consent of the institution's existing
18 license holder to the issuance of a temporary change of ownership
19 license.

20 (b-2) Notwithstanding Section 242.0335, the department
21 shall establish criteria under which the department may waive the
22 30-day requirement of Subsection (b-1) if the department finds
23 application of the requirement is impractical under the
24 circumstances, including circumstances involving legal proceedings

1 or other events that affect the ownership of the institution by the
2 existing license holder.

3 (c) The department shall issue or deny a temporary change of
4 ownership license not later than the 30th day after the date of
5 receipt of the completed application.

6 (c-1) After receipt of the application and written consent
7 described by Subsection (b-1), the department may place a 30-day
8 hold on vendor payments to the existing license holder. The
9 department shall establish criteria for the release of withheld
10 vendor payments to the existing license holder.

11 (c-2) The effective date of a temporary change of ownership
12 license issued under this section is the date requested in the
13 application unless the department does not receive the application
14 and written consent described by Subsection (b-1) at least 30 days
15 before that date, in which case the department may issue the
16 temporary change of ownership license effective on a date that
17 allows the department to place a 30-day hold on vendor payments to
18 the existing license holder.

19 (d) Except as provided in Subsection (d-1), after ~~After~~
20 the department issues a temporary change of ownership license to
21 the applicant, the department shall conduct an inspection or survey
22 of the nursing facility under Section 242.043 as soon as reasonably
23 possible. During the period between the issuance of the temporary
24 license and the inspection or survey of the nursing facility, the
25 department may not place a hold on vendor payments to the temporary
26 license holder.

27 (d-1) The department shall establish criteria under which a

1 desk review of the facility's compliance with applicable
2 requirements may be substituted for the on-site inspection or
3 survey under Subsection (d).

4 (e) After conducting an inspection or survey under
5 Subsection (d) or a desk review under Subsection (d-1), the
6 department shall issue a license under Section 242.033 to the
7 temporary change of ownership license holder if the nursing
8 facility passes the desk review, inspection, or survey and the
9 applicant meets the requirements of Section 242.033. If the
10 nursing facility fails to pass the desk review, inspection, or
11 survey or the applicant fails to meet the requirements of Section
12 242.033, the department may:

13 (1) place a hold on vendor payments to the temporary
14 change of ownership license holder; and

15 (2) take any other action authorized under this
16 chapter.

17 (f) If the applicant meets the requirements of Section
18 242.033 and the nursing facility passes a desk review, ~~[an]~~ initial
19 inspection, or ~~[a]~~ subsequent inspection before the temporary
20 change of ownership license expires, the license issued under
21 Section 242.033 is considered effective on the date the department
22 determines under Subsection (c-2) ~~[requested in the application for~~
23 ~~a temporary change of ownership]~~.

24 (g) A temporary change of ownership license issued under
25 Subsection (b) expires on the 91st day after the effective date
26 established under Subsection (c-2) ~~[date the license was issued]~~.

27 SECTION 2. This Act applies only to a temporary change of

1 ownership license application received by the Department of Aging
2 and Disability Services on or after September 1, 2007. An
3 application received by the department before September 1, 2007, is
4 governed by the law in effect at the time the application is
5 received and the former law is continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2007.