

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 9, 2009**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: SB1124** by West (Relating to authorization for the Department of Aging and Disability Services to conduct a desk review instead of an inspection when issuing a license after a change in ownership of certain facilities.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Health and Safety Code and Human Resources Code as it relates to authorization for the Department of Aging and Disability Services (DADS) to conduct desk reviews instead of inspections when issuing a license after a change in ownership of certain facilities.

The provisions of the bill would authorize DADS to conduct desk reviews instead of initial surveys, on-site inspections, and investigations required under Chapters 142, 247, and 252, Health and Safety Code, and Chapter 103, Human Resources Code, if the license application is submitted due to a change of ownership of an agency regulated under these chapters. The executive commissioner of the Health and Human Services Commission (HHSC) would also be required to develop the criteria for determining when DADS may conduct a desk review instead of an on-site survey, on-site inspection, or investigation. The executive commissioner of HHSC would be required to adopt the rules required under the provisions of the bill not later than April 1, 2010.

Notwithstanding Section 142.009(j-1), 247.023(a-1), and 252.033(a-1), Health and Safety Code and Section 103.006(a-1), Human Resources Code, DADS may not conduct a desk review instead of a survey, inspection, or investigation for license application submitted due to a change in ownership of an agency or facility until May 1, 2010.

Under the provisions of the bill, DADS could conduct desk reviews in lieu of certain on-site inspections, surveys, and investigations. Since less surveyor time would be spent conducting on-site inspections, there is the potential for cost savings or avoidance; the amount of savings or avoidance cannot be estimated, but is assumed not to be significant.

The bill would take effect September 1, 2009.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JOB, CL, SJ, LR