

AN ACT

relating to licensing and certification requirements for certain health facilities and to the allocation of Medicaid beds in certain of those facilities; increasing fees.

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

SECTION 1. Section 242.034(a), Health and Safety Code, is amended to read as follows:

(a) The board may establish by rule license fees for institutions licensed by the department under this chapter. The license fee may not exceed \$375 [~~\$250~~] plus:

(1) \$15 [~~\$10~~] for each unit of capacity or bed space for which a license is sought; and

(2) a background examination fee imposed under Subsection (d).

SECTION 2. Section 242.040, Health and Safety Code, is amended by amending Subsection (c) and adding Subsection (f) to read as follows:

(c) The board by rule may adopt standards for the specialized care and treatment of persons with Alzheimer's disease and related disorders and provide procedures for institutions applying for certification under this section. The rules must provide for a three-year certification period [~~annual certification~~].

(f) The executive commissioner by rule shall adopt a system

1 under which an appropriate number of certifications issued by the  
2 department expire on staggered dates occurring in each three-year  
3 period. If the expiration date of a certification changes as a  
4 result of this subsection, the department shall prorate the  
5 certification fee relating to that certification as appropriate.

6 SECTION 3. Section 32.0213, Human Resources Code, is  
7 amended by adding Subsections (d), (e), and (f) to read as follows:

8 (d) The executive commissioner of the Health and Human  
9 Services Commission by rule may require an applicant for Medicaid  
10 beds in a nursing facility under a Medicaid bed waiver application  
11 to provide a performance bond in the amount of \$500,000 or other  
12 financial security as determined by the department to ensure that  
13 the applicant provides the Medicaid beds granted to the applicant  
14 under the waiver within the time frame required by the department.  
15 A performance bond provided under this subsection must:

16 (1) be executed by a corporate entity in accordance  
17 with Subchapter A, Chapter 3503, Insurance Code;

18 (2) be in a form approved by the department; and

19 (3) clearly and prominently display on the face of the  
20 bond or on an attachment to the bond:

21 (A) the name, mailing address, physical address,  
22 and telephone number, including the area code, of the surety  
23 company to which any notice of claim should be sent; or

24 (B) the toll-free telephone number maintained by  
25 the Texas Department of Insurance under Subchapter B, Chapter 521,  
26 Insurance Code, and a statement that the address of the surety  
27 company to which any notice of claim should be sent may be obtained

1 from the Texas Department of Insurance by calling the toll-free  
2 telephone number.

3 (e) The department may not require an applicant for Medicaid  
4 beds in a nursing facility to obtain a performance bond from a  
5 specific insurance or surety agency, agent, or broker.

6 (f) The executive commissioner by rule shall adopt criteria  
7 to exempt certain applicants for Medicaid beds from the  
8 requirements of Subsection (d), including applicants that are  
9 licensed facilities with existing Medicaid bed allocations,  
10 criminal justice facilities, teaching facilities, and state  
11 veterans homes, and any other applicants that the executive  
12 commissioner finds good cause to exempt. The executive  
13 commissioner may modify the criteria for granting exemptions under  
14 this subsection as necessary to meet the objectives of Subsection  
15 (d).

16 SECTION 4. (a) Section 242.034(a), Health and Safety Code,  
17 as amended by this Act, applies only to a license application,  
18 including a renewal application, filed on or after the effective  
19 date of this Act. A license application, including a renewal  
20 application, filed before that date is governed by the law in effect  
21 on the date the application was filed, and the former law is  
22 continued in effect for that purpose.

23 (b) Sections 32.0213(d), (e), and (f), Human Resources  
24 Code, as added by this Act, apply only to an application filed on or  
25 after the effective date of this Act for Medicaid beds in a nursing  
26 facility. An application filed before that date is governed by the  
27 law in effect on the date the application was filed, and the former

1 law is continued in effect for that purpose.

2 SECTION 5. This Act takes effect September 1, 2013.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3196 was passed by the House on May 7, 2013, by the following vote: Yeas 143, Nays 1, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 3196 was passed by the Senate on May 22, 2013, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor