

By: Price

H.B. No. 3196

A BILL TO BE ENTITLED

AN ACT

1
2 relating to licensing, certification, and arbitration requirements
3 for certain health facilities and to the allocation of Medicaid
4 beds in those facilities; increasing fees.

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

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

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

11 (1) \$15 [~~\$10~~] for each unit of capacity or bed space
12 for which a license is sought; and

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

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

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

24 (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 242.252(a), Health and Safety Code, is
7 amended to read as follows:

8 (a) Except as provided by Subsection (d), an affected
9 institution or the department may elect binding arbitration of any
10 dispute to which this subchapter applies. Arbitration under this
11 subchapter is an alternative to a contested case hearing or to a
12 judicial proceeding relating to the assessment of a civil penalty.

13 SECTION 4. Section 32.0213, Human Resources Code, is
14 amended by adding Subsections (d) and (e) to read as follows:

15 (d) The department by rule may require an applicant for
16 additional Medicaid beds in a nursing facility to provide a
17 performance bond payable to the department in the amount of
18 \$500,000 conditioned on the applicant providing the Medicaid beds
19 granted to the applicant within the time frame required by the
20 department. The performance bond must:

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

23 (2) be in a form approved by the attorney general; and

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

26 (A) the name, mailing address, physical address,
27 and telephone number, including the area code, of the surety

1 company to which any notice of claim should be sent; or

2 (B) the toll-free telephone number maintained by
3 the Texas Department of Insurance under Subchapter B, Chapter 521,
4 Insurance Code, and a statement that the address of the surety
5 company to which any notice of claim should be sent may be obtained
6 from the Texas Department of Insurance by calling the toll-free
7 telephone number.

8 (e) The department may not require an applicant for
9 additional Medicaid beds in a nursing home to obtain a performance
10 bond from a specific insurance or surety agency, agent, or broker.

11 SECTION 5. (a) Section 242.034(a), Health and Safety Code,
12 as amended by this Act, applies only to a license application,
13 including a renewal application, filed on or after the effective
14 date of this Act. A license application, including a renewal
15 application, filed before the effective date of this Act is
16 governed by the law in effect when the application was filed, and
17 the former law is continued in effect for that purpose.

18 (b) Sections 32.0213(d) and (e), Human Resources Code, as
19 added by this Act, apply only to an application for additional
20 nursing home beds filed on or after the effective date of this Act.
21 An application filed before that date is governed by the law in
22 effect on the date the application is filed, and that law is
23 continued in effect for that purpose.

24 SECTION 6. This Act takes effect September 1, 2013.