

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 8, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB33** by Menéndez (Relating to alternative methods of dispute resolution in certain disputes between the Department of Aging and Disability Services and an assisted living facility licensed by the department.), **As Engrossed**

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

The bill would amend Section 247.051, Health and Safety Code, regarding the informal dispute resolution process to address disputes between an assisted living facility and the Department of Aging and Disability Services (DADS). An assisted living facility requesting informal dispute resolution would be required to reimburse DADS for certain costs.

The bill would add a new subchapter to Chapter 247, Health and Safety Code, regarding arbitration between an assisted living facility and DADS. The new subchapter would require arbitration for certain disputes. On request of the department, the Attorney General (OAG) may represent DADS. The bill requires that the arbitration and appointment of an arbitrator shall be conducted in accordance with rules adopted by the State Office of Administrative Hearings (SOAH). The bill would require the party that elects arbitration to pay the arbitration cost, in an amount not to exceed \$1,000 per day. The bill would require the Health and Human Services Commission (HHSC) to use a negotiated rulemaking process using a qualified third-party.

HHSC, DADS, and SOAH indicate any cost to implement provisions of the bill would be minimal and can be absorbed within available resources. HHSC assumes use of a state employee as the qualified third-party in the rulemaking process. It is assumed the OAG can absorb any cost to implement provisions of the bill within available resources.

**Local Government Impact**

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

**Source Agencies:** 302 Office of the Attorney General, 360 State Office of Administrative Hearings, 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

**LBB Staff:** UP, CL, LL, VJC