

## **BILL ANALYSIS**

Senate Research Center  
84R22816 SCL-F

H.B. 2340  
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Health & Human Services  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 2013, S.B. 492 authorized the licensing and regulation of prescribed pediatric extended care centers, or PPECCs. PPECCs allow Medicaid-eligible children with medically complex conditions to receive continual medical care in a non-residential setting. These services are offered to these children at a cost savings to the state compared to the traditional private duty nursing (PDN) rates in a home setting.

H.B. 2340 is an update and clarification bill to the statute governing PPECCs. The bill creates a new temporary license for the centers, allows minors to receive services in PPECCs and transportation to and from PPECCs without accompaniment, and requires that nursing services provided by PPECCs be a one-to-one replacement of private-duty-nursing.

H.B. 2340 amends current law relating to regulation of prescribed pediatric extended care centers and amends a provision subject to a criminal penalty.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 10 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 248A.051(a) and (b), Health and Safety Code, as follows:

- (a) Prohibits a person from owning or operating a prescribed pediatric extended care center in this state unless the person holds an initial, renewal, or temporary license issued under this chapter. Prohibits an applicant for a prescribed pediatric extended care center license from providing services under that license until the Department of Aging and Disability Services (DADS) issues the license.
- (b) Provides that a separate initial, renewal, or temporary license is required for each center located on separate premises, regardless of whether the centers are under the ownership or operation of the same person.

SECTION 2. Amends the heading to Section 248A.052, Health and Safety Code, to read as follows:

Sec. 248A.052. INITIAL LICENSE APPLICATION; ISSUANCE.

SECTION 3. Amends Section 248A.052(a), Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, and Section 248A.052(c), Health and Safety Code, as follows:

- (a) Requires an applicant for an initial prescribed pediatric extended care center license to submit to DADS in accordance with DADS rules a sworn application on the form prescribed by DADS, a letter of credit as prescribed by DADS to demonstrate the applicant's financial viability, and the required fees.

(c) Makes a conforming change.

SECTION 4. Amends Subchapter B, Chapter 248A, Health and Safety Code, by adding Section 248A.0525, as follows:

Sec. 248A.0525. TEMPORARY LICENSE PROCEDURES. (a) Authorizes an applicant for an initial license under Section 248A.052 to request, in the manner prescribed by DADS and in accordance with this section, that DADS issue a temporary license pending DADS's review of the applicant's application for an initial license. Provides that an applicant is not required to request a temporary license to receive an initial or renewal license.

(b) Provides that a temporary license issued under this section authorizes an applicant to provide nonresidential basic services to not more than six minors until the temporary license expires or terminates in accordance with this section.

(c) Requires DADS, on receipt of a temporary license request, to conduct a review of the applicant's policies, procedures, and staffing plans to serve minors in the center.

(d) Requires DADS to grant an applicant's request for a temporary license if DADS determines the applicant is eligible for the license as provided by this subsection. Prohibits DADS from granting a request for a temporary license if DADS determines the applicant is ineligible for the license under this subsection. Provides that an applicant is eligible for a temporary license only if the applicant meets:

(1) the license application requirements of Sections 248A.052(a) and (b) and the license application rules adopted under this chapter;

(2) the building requirements and standards for a center provided in DADS rules adopted under this chapter; and

(3) the requirements of DADS's review conducted under Subsection (c).

(e) Provides that a temporary license issued under this section expires on the earlier of:

(1) the 90th day after the date the temporary license is issued or the last day of any extension period granted by DADS; or

(2) the date an initial license is issued under Section 248A.052.

(f) Prohibits DADS from granting more than one extension of a temporary license issued under this section and from granting an extension for a period that exceeds 90 days. Requires DADS to grant an extension if a temporary license holder submits to DADS an extension request in the manner prescribed by DADS not later than the 30th day before the date the temporary license expires.

(g) Requires a temporary license holder to comply with this chapter and the rules adopted under this chapter for the period for which the temporary license is issued, including an extension, if applicable. Authorizes DADS to take an enforcement action against a temporary license holder for failure to comply with this chapter and the rules adopted under this chapter.

(h) Authorizes DADS to conduct a complaint investigation and inspection of a temporary license holder.

SECTION 5. Amends the heading to Section 248A.053, Health and Safety Code, to read as follows:

Sec. 248A.053. INITIAL OR RENEWAL LICENSE TERM; RENEWAL; NOTIFICATION.

SECTION 6. Amends Section 248A.053(a), Health and Safety Code, to provide that an initial or renewal license issued under this chapter expires on the second anniversary of the date of issuance.

SECTION 7. Amends the heading to Section 248A.151, Health and Safety Code, to read as follows:

Sec. 248A.151. ADMISSION CRITERIA FOR MINOR CLIENT; ADULT ACCOMPANIMENT.

SECTION 8. Amends Section 248A.151, Health and Safety Code, by adding Subsection (c) to provide that a minor client's parent, legal guardian, or managing conservator is not required to accompany the client when the client receives services in the center, including therapy services delivered in the center but billed separately, or when the center transports or provides for the transport of the client to and from the center.

SECTION 9. Amends Subchapter D, Chapter 248A, Health and Safety Code, by adding Section 248A.158, as follows:

Sec. 248A.158. RELATION TO NURSING SERVICES. Requires that nursing services provided by a center be a one-to-one replacement of private duty nursing or other skilled nursing services unless additional nursing services are medically necessary.

SECTION 10. Requires the executive commissioner of the Health and Human Services Commission (executive commissioner), not later than September 1, 2016, to adopt the rules necessary to implement Chapter 248A, Health and Safety Code, as amended by this Act.

SECTION 11. Requires the executive commissioner, as soon as practicable after the effective date of this Act, to establish a reimbursement rate for licensed pediatric extended care centers that are enrolled in the medical assistance program that, when converted to an hourly rate, is not more than 70 percent of the average hourly unit rate for private duty nursing provided under the Texas Health Steps Comprehensive Care Program.

SECTION 12. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes a delay of implementation until such a waiver or authorization is granted.

SECTION 13. Provides that the changes in law made by this Act related to temporary licenses apply only to a temporary license application submitted to or an inspection conducted by DADS on or after September 1, 2016.

SECTION 14. Effective date: September 1, 2015.