

**SUBJECT:** Creating a grant program for quality-of-life projects in nursing homes

**COMMITTEE:** Human Services — favorable, without amendment

**VOTE:** 6 ayes — Naishtat, Chavez, J. Davis, Ehrhardt, Noriega, Raymond  
0 nays  
3 absent — Telford, Villarreal, Wohlgemuth

**SENATE VOTE:** On final passage, March 29 — voice vote (Wentworth recorded nay)

**WITNESSES:** For — *Registered but did not testify:* Candice Carter, American Association of Retired Persons; Tim Graves, Texas Health Care Association; Linda Rushing, Texas Conference of Catholic Health Facilities  
Against — None

**DIGEST:** SB 159 would direct the Texas Department of Human Services (DHS) to establish a grant program to pay part of the costs of projects proposed by institutions to improve the quality of life for nursing-home residents. Funds for the grants would come from appropriations of administrative penalties collected by DHS that were left over after funding existing programs.  
DHS would have to establish guidelines for the grant program, including:

- ! procedures for submitting grant proposals;
- ! criteria for evaluating proposals, including giving priority to institutions that showed a need for improvement; and
- ! the reports that a grant recipient would have to file to allow DHS and the industry to evaluate the project's feasibility and success.

To receive a grant, the recipient would have to sign a contract that could detail the reports that the grant recipient would have to file and the project monitoring that the recipient would have to allow. DHS would have to post a summary of best practices on its Internet site and would have to alert the industry to the report.

The bill would take effect September 1, 2001.

**SUPPORTERS  
SAY:**

SB 159 would use industry funding to improve the quality of life for Texas' nursing-home residents. The industry can be innovative in developing ways to improve the quality of life for residents. Rising liability insurance rates and flat reimbursement have forced many institutions to focus on core services at the expense of quality-of-life projects. This bill would give them grants to try these projects with the goal of improving residents' quality of life.

The grants would be funded by penalties collected from nursing-home operators by the state. Because the program would give priority to nursing homes with a demonstrated need for improvement, it would help residents of those homes by reinvesting some of the penalty funds back into quality of care, rather than taking away funds through penalties and placing residents in an increasingly difficult situation.

**OPPONENTS  
SAY:**

SB 159 would duplicate current law. Health and Safety Code, sec. 242.071 allows the department to require a nursing home to ameliorate a violation by using a portion of the penalty it would have been assessed for that violation. That provision is superior to the program this bill would create, because it ties penalty funds directly to fixing the nursing home's problems.

Texas already is studying best practices for nursing homes through the Texas Long-Term Care Institute at Southwest Texas State University, whose mission is to conduct research, consultation, technical assistance, and training to improve the quality of long-term health care in Texas. The institute also publishes research reports and a newsletter detailing its activities, which are available on its web site. Both the House and Senate versions of SB 1 by Ellis, the general appropriations bill for fiscal 2002-03, include \$335,616 in Southwest Texas State's budget for the Long-Term Care Institute. The state should not spend more money to duplicate these efforts.

**OTHER  
OPPONENTS  
SAY:**

SB 159 reflects the mistaken belief that a "band-aid" approach can help the nursing-home industry and the lives of its residents. A nursing home's quality of care depends on its financial health. Quality of life is declining because the nursing-home industry is in dire trouble. Rather than grants for best-practices projects, the industry needs a massive reworking of

reimbursement rates to reflect higher costs, including liability insurance premiums.

NOTES: The bill's fiscal note estimates that the grant program would cost the state \$390,000 in general revenue in fiscal 2002-03.