

BILL ANALYSIS

Senate Research Center
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S.B. 1292
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Human Services
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As Filed

DIGEST

Currently, the Texas Department of Human Services (DHS) lacks ability to obtain financial information which would provide advance notice of significant changes in a nursing home's financial condition; this could adversely affect the delivery of services essential to the health and safety of residents. In the past, some nursing homes experienced heavy revenue losses resulting in their inability to meet payroll expenses; the staff subsequently walked off the job, thus endangering the residents. In these situations, DHS was forced to run the nursing home operations and seek emergency appropriations from the legislature. S.B. 1292 would require a nursing facility licensed by DHS, not later than April 1 of each year, to submit audited financial statements from the preceding calendar year, prepared in accordance with generally accepted accounting principles by an independent certified public accountant.

PURPOSE

As proposed, S.B. 1292 sets forth financial reporting requirements for certain nursing facilities licensed by the Texas Department of Human Services.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 242C, Health and Safety Code, by adding Section 242.074, as follows:

Sec. 242.074. FINANCIAL STATEMENTS. (a) Requires an institution licensed under this chapter, not later than April 1 of each year, to submit to the Texas Department of Health (department), an audited financial statement for the preceding calendar year prepared in accordance with generally accepted accounting principles certified by an independent certified public accountant.

(b) Requires the institution to notify the department of any change in the institution's financial condition that could adversely affect the institution's ability to provide services to its customers.

(c) Authorizes the department to investigate the financial soundness of an institution licensed under this chapter and to issue a subpoena to obtain the institution's financial records.

(d) Authorizes a person who files a false financial statement to be prosecuted under the Penal Code.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.