

BILL ANALYSIS

Senate Research Center
76R10562 MCK-D

C.S.S.B. 1292
By: Zaffirini
Human Services
4/8/1999

Committee Report (Substituted - REVISED)

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. C.S.S.B. 1292 would set forth provisions regarding the monitoring of the financial condition of certain nursing facilities licensed by the Texas Department of Human Services.

PURPOSE

As proposed, C.S.S.B. 1292 sets forth provisions regarding the monitoring of the financial condition of 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 Section 242.061(a), Health and Safety Code, to make conforming changes.

SECTION 2. Amends Chapter 242C, Health and Safety Code, by adding Section 242.074, as follows:

Sec. 242.074. NOTIFICATION OF CHANGE IN FINANCIAL CONDITION. Requires an establishment that furnishes food or shelter to four or more persons unrelated to the proprietor and provides minor treatment under the direction and supervision of a physician or other services that meet some need beyond the basic provision of food, shelter, and laundry (institution) to notify the Texas Department of Human Services (department) of a significant change in the institution's financial position, cash flow, or operation results that could adversely affect the institution's delivery of certain essential services to residents of the institution. Authorizes the department to investigate the financial soundness of an institution, and as part of its investigation, to issue a subpoena to obtain financial records of the institution. Authorizes a person who knowingly files false information under this section to be prosecuted under the Penal Code.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 242.061(a), Health and Safety Code, to make conforming changes.

SECTION 2.

Redesignated from proposed SECTION 1, which was deleted. Amends Section 242.074, Health

and Safety Code, by deleting proposed Subsection (a), and redesignating Subsection (b) as Subsection (a), amended to require an institution to notify the department of a significant change in the institution's financial position, cash flow, or results of operation that could adversely affect the institution's delivery of essential services. Redesignates proposed Subsection (c) as Subsection (b), amended to make a nonsubstantive change. Redesignates proposed Subsection (d) as Subsection (c), amended to authorize a person who knowingly files false information, rather than false financial information, to be prosecuted.

SECTIONS 3 - 4.

Redesignated from existing SECTIONS 2 - 3.