



COMMISSIONER  
James R. Hine

December 7, 2005

The Honorable Rick Perry  
Governor of Texas  
P. O. Box 12428  
Austin, TX 78711

Subject: Update to the Texas Legislature on Nursing Facility Contract Minimum Standards

Dear Governor Perry:

The January 2005 Report to the 79<sup>th</sup> Texas Legislature on Nursing Facility Contract Minimum Standards (attached) indicated that the Texas Department of Aging and Disability Services (DADS) would provide an update on the status of our efforts to develop minimum standards and performance measures related to quality of care in nursing facility contracts. This letter provides that update.

The statutory mandate for these activities appears in Chapter 32 Human Resources Code, §32.021(q), as added by HB 2292, 78<sup>th</sup> Legislature, Regular Session 2003, which states:

The department shall include in its contracts for the delivery of medical assistance by nursing facilities clearly defined minimum standards that relate directly to the quality of care for residents of those facilities. The department shall consider the recommendations made by the nursing facility quality assurance team under Section 32.060 in establishing the standards.

The department shall include in each contract:

- 1) specific performance measures by which the department may evaluate the extent to which the nursing facility is meeting the standards; and
- 2) provisions that allow the department to terminate the contract if the nursing facility is not meeting the standards.

During 2005 an internal workgroup at DADS has been working on development of minimum performance standards for nursing facility contracts. DADS has developed preliminary recommendations and is finalizing plans to share these recommendations with interested stakeholders such as nursing facility providers and advocates. The presentation of these recommendations to stakeholders will include an explanation of the proposed changes and the minimum standards, and methods for eliciting stakeholder input. After considering stakeholder input, the recommendations will again be shared with stakeholders. Upon completion of the stakeholder meeting, DADS will consider all comments and incorporate where appropriate.

It will be necessary to submit any recommendations for inclusion of minimum standards to the

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nursing facility contract to the Center for Medicaid and Medicare Services (CMS) for approval. This is necessary because this is a suggested change to the regulatory process required by CMS for surveying nursing facilities.

In accordance with Chapter 32 Human Resources Code §32.021(s), the next full report addressing current and historical information on status due November 2006 will include:

- 1) recommendations for improving the quality of information that is provided to consumers about the facilities;
- 2) the minimum standards and performance measures included in the department's contracts with those facilities;
- 3) the performance of the facilities with regard to the minimum standards;
- 4) the number of facilities with which the department has terminated a contract or to which the department will not award a contract because the facilities do not meet the minimum standards; and
- 5) the overall impact of the minimum standards on the quality of care provided by the facilities, consumers' access to the facilities, and cost of care.

We appreciate the opportunity to provide this update. Please let me know if you have any questions or need further information.

Sincerely,

*Signature on File*

James R. Hine  
Commissioner

JRH:bcw

Attachment

cc: David Balland, HHSC  
Dr. Charles Bell, HHSC