



COMMISSIONER  
Chris Traylor

January 26, 2012

To: Adult Day Care Facilities (ADCs), Assisted Living Facilities (ALFs), Home and Community Support Services Agencies (HCSSAs), Intermediate Care Facilities for Persons with Intellectual Disabilities (ICFs/ID) and Nursing Facilities (NFs)

Subject: **Provider Letter 12-13** – Denial of an Initial License or Renewal of a License Based on Adverse Licensing Actions

Senate Bill (SB) 78, passed by the 82<sup>nd</sup> Legislature, Regular Session, 2011, amended Government Code Chapter 531 by adding Subchapter W, specifically new Sections 531.951 through 531.954, which address adverse licensing, listing or registration decisions. On January 18, 2012, Department of Aging and Disability Services (DADS) rules implementing SB 78 became effective. Beginning March 1, 2012, if the name of an applicant or other person associated with an applicant, including a controlling person of the applicant's entity, is listed in a health and human services agency record of adverse licensing maintained in accordance with Government Code §531.952, DADS may deny the person's application for a license or license renewal.

DADS may deny the application if the health and human services agency's action that resulted in the person's name being listed in the §531.952 record is based on:

- an act or omission that resulted in physical or mental harm to an individual in the care of the person;
- a threat to the health and safety, or well-being of an individual in the care of the person;
- the physical, mental, or financial exploitation of an individual in the care of the person; or
- a determination by the health and human services agency that the applicant or person has committed an act or omission that renders the person unqualified or unfit to fulfill the obligations of the license.

If you have questions regarding this letter, please contact a policy specialist in the Policy, Rules and Curriculum Development unit at (512) 438-3161.

Sincerely,

*[Signature on file]*

Veronda L. Durden  
Assistant Commissioner  
Regulatory Services

VLD:dIm