

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB 3919
Version:	FA1-A1
Request Number:	
Author:	Rep. Caldwell (Chad)
Date:	3/14/2024
Impact:	\$0

Research Analysis

The first floor amendment to the floor substitute to House Bill 3919 removes paragraphs 1, 2, and 3 in Section 5.

House Bill 3919, as amended, establishes disclosure requirements for referral agencies referring individuals to assisted living centers. Specifically, their services, whether the consumer or the assisted living center or continuum of care facility, are responsible for paying the referral fee and the consumer's right to stop using the agency without penalty. Information regarding the cessation of use must be provided clearly and conspicuously in writing. The measure requires the referral agencies to consider consumer preferences when selecting assisted living centers or continuum of care facilities, and decisions cannot be based solely on cost. The measure prohibits referral agencies from referring consumers to facilities in which they have a financial interest, holding power of attorney or property for consumers, referring to unlicensed facilities, and collecting fees for certain transfers or expired referrals. It requires referral agencies to conduct background checks on employees, maintain liability insurance, audit referred facilities for licensure compliance, provide employee training, and notify facilities about referrals in a timely manner. Written contracts between referral agencies and facilities may include compensation based on various factors, such as the volume or value of referrals, but must comply with the requirements of the measure. Referral agencies violating the law may face civil penalties of \$500 per violation, and actions can be brought by the Attorney General or district attorneys, who may also recover attorney fees and litigation costs.

Prepared By: Matthew Brenchley

Fiscal Analysis

HB 3919 outlines the duties and requirements for referral agencies when referring individuals to an assisted living center or continuum of care facility. Certain disclosures are required by the referral agency, including any referral fees the consumer is responsible for paying. Referral agencies are subject to a civil penalty of Five Hundred Dollars (\$500) for violating the provisions of this measure. In its current form, this measure is not anticipated to have a direct fiscal impact on the state budget or appropriation.

The amendment to the floor amendment does not affect the fiscal impact of this measure.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.

