



COMMISSIONER
Adelaide Horn

August 31, 2007

To: Nursing Facilities

Subject: **Provider Letter 07-51** – Notification of Adverse Change in Financial Condition

All nursing facilities are currently required by the Department of Aging and Disability Services' (DADS) rules at Title 40 Texas Administrative Code (TAC) §19.201(j) to notify DADS of a significant adverse change in the facility's financial condition or other events that could adversely affect the delivery of essential care and services, as soon as the facility becomes aware of the change in financial condition. DADS' rules regarding this notification are being revised to clarify the circumstances and time frame in which a change must be reported.

Effective September 1, 2007, 40 TAC §19.1925(b)-(f) will replace §19.201(j) and require nursing facility license holders to report specific financial information to DADS within 72 hours after the license holder becomes aware of, or should have become aware of, the significant adverse change. Section 19.1925(c)-(e) requires license holders to fax this notice to (512) 438-2730 or (512) 438-2728 no later than 72 hours after becoming aware of the change.

A form for notifying DADS of the change and instructions for completing the form may be found at: <http://www.dads.state.tx.us/forms/3726/index.htm>.

You may contact the DADS Provider Licensing Enforcement Unit at (512) 438-4860 if you have any questions regarding this issue.

Sincerely,

[signature on file]

Veronda L. Durden
Assistant Commissioner
Regulatory Services

VLD:ca