

1-1 By: Middleton, Johnson S.B. No. 1383  
1-2 (In the Senate - Filed February 19, 2025; March 6, 2025,  
1-3 read first time and referred to Committee on Health & Human  
1-4 Services; April 22, 2025, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
1-6 April 22, 2025, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Kolkhorst	X		
1-10	Perry	X		
1-11	Blanco	X		
1-12	Cook	X		
1-13	Hall	X		
1-14	Hancock	X		
1-15	Hughes	X		
1-16	Miles	X		
1-17	Sparks	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1383 By: Hancock

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to the regulation of referral agencies for senior living  
1-22 communities.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is  
1-25 amended by adding Chapter 121 to read as follows:

1-26 CHAPTER 121. REFERRAL AGENCIES FOR SENIOR LIVING COMMUNITIES

1-27 Sec. 121.001. DEFINITIONS. In this chapter:

1-28 (1) "Consumer" means an individual seeking a referral  
1-29 to a senior living community.

1-30 (2) "Referral agency" means an entity that provides  
1-31 referrals of senior living communities to consumers for a fee  
1-32 collected from a consumer or community. The term does not include:

1-33 (A) a senior living community or its employees;  
1-34 or

1-35 (B) a resident, resident's family member, or  
1-36 patron of a senior living community who refers a consumer to the  
1-37 community regardless of any discount or other remuneration the  
1-38 community pays to that individual.

1-39 (3) "Senior living community" means an adult foster  
1-40 care facility, life care facility, assisted living facility  
1-41 licensed under Chapter 247, Health and Safety Code, retirement  
1-42 home, memory care facility, retirement village, home for the aging,  
1-43 or other facility that provides shelter, food, social activities,  
1-44 or other personal services specifically for elderly individuals.

1-45 Sec. 121.002. REFERRAL AGENCIES; REQUIRED DISCLOSURE. (a)  
1-46 At the time of a referral, a referral agency shall provide a  
1-47 disclosure statement to the consumer that includes:

1-48 (1) a description of the referral agency's services;

1-49 (2) a statement on whether the consumer or the senior  
1-50 living community to which the consumer is referred is responsible  
1-51 for paying the referral fee; and

1-52 (3) a statement that the consumer may stop using the  
1-53 referral agency at any time without cause or penalty.

1-54 (b) A referral agency shall provide the disclosure  
1-55 statement described by Subsection (a) to a consumer in the form of a  
1-56 written physical or electronic document.

1-57 (c) A referral agency shall consider the consumer's  
1-58 preferences in selecting the senior living community to which the  
1-59 agency refers the consumer, and a referral agency may not use cost  
1-60 as the sole factor in that selection.

(d) A senior living community may not be required to contract with or otherwise use a referral agency.

(e) If a consumer decides to stop using a referral agency, the referral agency shall communicate the consumer's decision to all senior living communities to which the referral agency has referred the consumer. A consumer's decision to stop using a referral agency does not affect a contractual agreement, if any, between the referral agency and a senior living community.

Sec. 121.003. REFERRAL AGENCY PROHIBITED CONDUCT. A referral agency may not:

(1) refer a consumer to a senior living community in which the referral agency has an ownership, management, or financial interest;

(2) hold a power of attorney for a consumer or hold a consumer's property in any capacity;

(3) knowingly refer a consumer to a senior living community that is unlicensed and is not exempt from licensing under applicable law;

(4) collect a referral fee when a consumer transfers from one property of a senior living community to another property of the same senior living community unless the consumer has engaged the referral agency to help facilitate the consumer's transfer to another property and the referral agency provided the consumer more than one referral; or

(5) collect a referral fee after the expiration of the referral according to the contract between the referral agency and the senior living community.

Sec. 121.004. DUTIES. A referral agency shall:

(1) use a nationally accredited service provider to obtain criminal history record information of:

(A) a new employee of the referral agency who will have direct contact with a consumer; and

(B) a referral agency employee who physically enters a senior living community for the purpose of making a referral to a consumer;

(2) maintain liability insurance coverage for negligent acts or omissions by the referral agency or its employees;

(3) audit each senior living community with respect to which the referral agency provides referrals to ensure that any applicable license is in good standing and maintain a record of that audit;

(4) provide training to all referral agency employees whose job responsibilities require direct contact with a consumer, including training on the referral agency's code of conduct, before the employee begins performing those responsibilities;

(5) if a referral agency refers a consumer to a senior living community, notify the senior living community of the referral by a written physical or electronic document that includes the time and date of the referral, on or before the date the consumer is admitted to the senior living community; and

(6) if a referral agency enters into a contract with a senior living community, specify in the contract the period within which the senior living community must pay the referral agency, not to exceed three years after the date the referral agency provided a consumer a referral to the senior living community.

Sec. 121.005. COMPENSATION. (a) A written contract entered into between a referral agency and a senior living community may provide for the compensation of a referral agency for all referrals made with respect to a senior living community, and the amount of compensation may be based on the volume or value of referrals made by the referral agency or business generated between the parties.

(b) Notwithstanding any other law, compensation paid to a referral agency that is in compliance with this section is not grounds for disciplinary action against a senior living community.

Sec. 121.006. EFFECT OF LAW. This chapter does not:

(1) affect the application of any other law that regulates a senior living community; or

(2) abrogate any other defense, remedy, immunity, or privilege available under the Constitution of the United States or this state or as provided by any statute, case, or common law or rule.

SECTION 2. Section 102.005, Occupations Code, is amended to read as follows:

Sec. 102.005. APPLICABILITY TO CERTAIN ENTITIES. Section 102.001 does not apply to:

(1) a licensed insurer;  
(2) a governmental entity, including:  
(A) an intergovernmental risk pool established under Chapter 172, Local Government Code; and  
(B) a system as defined by Section 1601.003, Insurance Code;

(3) a group hospital service corporation;  
(4) a health maintenance organization that reimburses, provides, offers to provide, or administers hospital, medical, dental, or other health-related benefits under a health benefits plan for which it is the payor; ~~or~~

(5) a health care collaborative certified under Chapter 848, Insurance Code; or

(6) a referral agency as defined by Section 121.001, Business & Commerce Code.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

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