



# TEXAS DEPARTMENT OF STATE HEALTH SERVICES

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## Guidance for Change of Legal Owner of a Hospital Facility (CHOW) And/Or Change in Physical Location of a Hospital Facility And/Or Impact to Trauma Facility Designation

### I. Relevant Rules

Texas Administrative Code, Title 25, Rule §133.21 *Hospital Licensing - General*

(c) Scope of hospital license.

(1) A hospital license is issued for the premises and person or governmental unit named in the application.

Texas Administrative Code, Title 25, Rule §133.24 *Hospital Licensing - Change of Ownership*

(a) Change of ownership defined. A change of ownership of a hospital occurs when there is a change in the person legally responsible for the operation of the hospital, whether by lease or by ownership.

Texas Administrative Code, Title 25, Rule §157.125 *Emergency Medical Care - Requirements for Trauma Facility Designation*

(a) The Office of Emergency Medical Services (EMS)/Trauma Systems Coordination (office) shall recommend to the Commissioner of the Department of State Health Services (commissioner) the designation of an applicant/healthcare facility (facility) as a trauma facility at the level(s) for each location of a facility the office deems appropriate.

(b) A healthcare facility is defined under these rules as a single location where inpatients receive hospital services or each location if there are multiple buildings where inpatients receive hospital services and are covered under a single hospital license.

### II. Explanation

A hospital facility license is issued: 1) to the legal owner, whose name is reflected on the license application submitted; **and** 2) for the physical location of the facility, as reflected on the license application submitted.

### **New Hospital Facility License Application Required**

1. *Change of Legal Owner:* If after issuance of a hospital facility license, the name reflected on the license application as the legal owner changes in any way, a change of ownership has occurred and the previously issued license is no longer valid. The new legal owner must submit a new license application to the Department of State Health Services (DSHS) for issuance of a

2. *Change of Physical Location:* If after issuance of the hospital facility license, the physical location of the hospital facility reflected on the license application changes, a change in location has occurred and the previously issued license is no longer valid. A new license application reflecting this new physical location for the hospital facility must be submitted to the DSHS for issuance of a new license.

### **New Trauma Facility Designation Required**

Upon a Change of Legal Owner or Change of Physical Location of a hospital facility, the previously issued license is no longer valid and any trauma facility designation associated with this license is no longer recognized. In connection with a Change of Legal Owner or Change of Physical Location of a hospital facility, eligibility to receive uncompensated trauma care funding from or through DSHS rests on the facility pursuing a new trauma facility designation. If a hospital facility wishes to seek trauma facility designation, it must comply with the provisions of Title 25 of section 157.125 of the Texas Administrative Code (TAC), titled “*Requirements for Trauma Facility Designation.*”

The facility will not be eligible to receive uncompensated trauma care funding or other state funding unless the facility either:

1) timely achieves trauma facility designation

*or*

2) timely enters “in active pursuit of designation” status (IAP).

Further, the facility will not be eligible in any given year for this funding unless it achieves the trauma facility designation or enters IAP status prior to the deadline of the given year for filing the department’s application for uncompensated trauma care funding.

If the CHOW or change of location occurs after the given year’s funding application deadline, the new owner or the facility at the new location must enter IAP status prior to disbursement of the given year’s uncompensated trauma care funding.

### **Process to Enter “In Active Pursuit of Designation” Status**

To obtain “in active pursuit of designation” status the hospital must successfully and completely submit to the department the documentation listed in 25 TAC § 157.131(a)(10) as follows:

- (A) a statement of intent to seek designation;
- (B) a timely and sufficient application to the department’s trauma facility designation program or appropriate agency for trauma verification;
- (C) evidence of participation in Trauma Services Area (TSA) Regional Advisory Council (RAC) initiatives; (*the RAC defines attendance and will provide a letter of attestation for facility attendance*)
- (D) evidence of a hospital trauma performance improvement committee; and
- (E) data to the department’s EMS/Trauma Registry.

The hospital “in active pursuit of designation” status must obtain trauma facility designation within two (2) years of the month the department deems the facility to have satisfied the IAPD requirements outlined above (and, therefore, achieved IAP status). ***If a facility fails to achieve trauma facility designation within two years from the date of becoming IAP, that facility shall repay to DSHS any funds received through DSHS grant programs plus (+) a ten percent (10%) penalty.*** Entering a status of “in active pursuit of designation” does not change the facility’s role in the regional trauma system and may provide eligibility for other state funding.