

By: Nichols

S.B. No. 1170

A BILL TO BE ENTITLED

AN ACT

relating to health care services provided or paid by a hospital district or public hospital.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 61.066, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) A hospital district may recover an amount equal to the value of any fraudulently obtained health care services provided to a person disqualified under this section.

SECTION 2. Subchapter C, Chapter 61, Health and Safety Code, is amended by adding Section 61.067 to read as follows:

Sec. 61.067. SUBROGATION. (a) The filing of an application for or receipt of health care services provided or paid for by a hospital district or public hospital constitutes an assignment of the applicant's or recipient's right of recovery from:

(1) personal insurance;

(2) other sources; or

(3) another person for personal injury caused by the other person's negligence or wrong.

(b) A person who applies for or receives health care services shall inform the hospital district or public hospital, at the time of application or at any time during eligibility for services, of:

1 (1) any unsettled tort claim that may affect medical
2 needs;

3 (2) any private accident or health insurance coverage
4 that is or may become available; and

5 (3) any injury that is caused by the act or failure to
6 act of some other person.

7 (c) An applicant or eligible resident shall inform the
8 hospital district or public hospital of information required by
9 Subsection (b) within 10 days of the date the person learns of the
10 person's insurance coverage, tort claim, or potential cause of
11 action.

12 (d) A claim for damages for personal injury does not
13 constitute grounds for denying or discontinuing services under this
14 chapter.

15 (e) A separate and distinct cause of action is created in
16 favor of the hospital district or public hospital, and the hospital
17 district or public hospital may, with the approval of the board of
18 directors or managers, take direct civil action in any court of
19 competent jurisdiction. A suit brought under this section does not
20 need to be ancillary to or dependent on any other action.

21 (f) The hospital district's or public hospital's right of
22 recovery under this section is limited to the amount of the cost of
23 services paid by the hospital district or public hospital. Other
24 subrogation rights granted under this section are limited to the
25 cost of the services provided by the hospital district or public
26 hospital.

27 (g) An applicant or eligible resident who knowingly and

1 intentionally fails to disclose the information required by
2 Subsection (b) is subject to denial of services under Section
3 61.066 following an administrative hearing.

4 (h) Procedures established by a hospital district or public
5 hospital for administrative hearings under this section shall
6 provide for appropriate due process, including procedures for
7 appeals.

8 SECTION 3. This Act applies only to the filing of an
9 application for services or receipt of services as described by
10 Section 61.067, Health and Safety Code, as added by this Act, on or
11 after the effective date of this Act. The filing of an application
12 for services or receipt of services before the effective date of
13 this Act is governed by the law in effect on the date of filing or
14 receipt of services, and the prior law is continued in effect for
15 that purpose.

16 SECTION 4. This Act takes effect September 1, 2009.