

BILL ANALYSIS

H.B. 2882
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Judiciary & Civil Jurisprudence
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Nueces County Hospital District provides medical aid and hospital care to indigent and needy persons residing in the district. The district uses local tax funds to treat indigent enrollees who have experienced personal injury caused by another person's negligence or wrong. These enrollees subsequently may file tort claim actions to recover accident or health insurance coverage benefits, but may not always inform the district of their actions in this regard.

In such a case, the district usually is not repaid for the costs of services provided with local tax funds. Although Texas hospitals have lien laws available to them, the district contracts with a local non-profit hospital system to provide its indigent health care and treatment services since the district no longer operates its own hospital facilities, and, unlike county-funded indigent health care programs, hospital districts do not have the right of subrogation.

H.B. 2882 addresses this issue by providing that an application for or receipt of health care services provided or paid for by the Nueces County Hospital District constitutes an assignment of the applicant's or recipient's right of recovery from personal insurance, other sources, or another person for personal injury caused by the other person's negligence or wrong.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2882 amends the Health and Safety Code to provide that the filing of an application for or receipt of health care services provided or paid for by the Nueces County Hospital District constitutes an assignment of the applicant's or recipient's right of recovery from personal insurance, other sources, or another person for personal injury caused by the other person's negligence or wrong. The bill requires a person who applies for or receives health care services to inform the Nueces County Hospital District, at the time of application or at any time during eligibility for services, of any unsettled tort claim that may affect medical needs, any private accident or health insurance coverage that is or may become available, and any injury that is caused by the act or failure to act of some other person.

H.B. 2882 requires an applicant or eligible resident to inform the Nueces County Hospital District of such information within 10 days of the date the person learns of the person's insurance coverage, tort claim, or potential cause of action. The bill specifies a claim for damages for personal injury does not constitute grounds for denying or discontinuing services under provisions of law relating to hospital districts in counties with a population of at least 190,000 or under the Indigent Health Care and Treatment Act.

H.B. 2882 creates a separate and distinct cause of action in favor of the Nueces County Hospital District, and the district is authorized, with the approval of the board of managers, to take direct

civil action in any court of competent jurisdiction. The bill exempts a suit brought under the bill's provisions from needing to be ancillary to or dependent on any other action. The bill limits the Nueces County Hospital District's right of recovery under the bill's provisions to the amount of the cost of services paid by the district. The bill limits other subrogation rights granted under the bill's provisions to the cost of the services provided by the Nueces County Hospital District.

H.B. 2882 specifies that an applicant or eligible resident who knowingly and intentionally fails to disclose the information required by the bill's provisions is subject to denial of services under provisions relating to the prevention and detection of fraud in a hospital district, following an administrative hearing, and commits a Class C misdemeanor offense. The bill specifies that if an actor's conduct constitutes such an offense and also constitutes an offense under another law, the actor may be prosecuted under either law or both. The bill requires procedures established by the Nueces County Hospital District for administrative hearings under the bill's provisions to provide for appropriate due process, including procedures for appeals.

EFFECTIVE DATE

September 1, 2011.