

By: Sheets

H.B. No. 2438

A BILL TO BE ENTITLED

AN ACT

relating to interest on damages subject to Medicare subrogation.

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

SECTION 1. Chapter 41, Civil Practice and Remedies Code, is amended by adding Section 41.015 to read as follows:

Sec. 41.015. INTEREST ON DAMAGES SUBJECT TO MEDICARE SUBROGATION. Interest does not accrue on the unpaid balance of an award of damages to a plaintiff if the United States has a subrogation right to the award under 42 U.S.C. Section 1395y(b)(2)(B) until the defendant receives a recovery demand letter issued by Centers for Medicare and Medicaid Services or a designated contractor under 42 C.F.R. Section 411.22.

SECTION 2. The change in law made by this Act applies only to an award of damages made on or after the effective date of this Act. An award of damages made before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2011.