

By: Sheets, Krause

H.B. No. 658

A BILL TO BE ENTITLED

AN ACT

relating to postjudgment 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 41.014 to read as follows:

Sec. 41.014. INTEREST ON DAMAGES SUBJECT TO MEDICARE SUBROGATION. (a) Subject to this section, postjudgment interest does not accrue on the unpaid balance of an award of damages to a plaintiff attributable to any portion of the award to which the United States has a subrogation right under 42 U.S.C. Section 1395y(b)(2)(B) before the defendant receives a recovery demand letter issued by the Centers for Medicare and Medicaid Services or a designated contractor under 42 C.F.R. Section 411.22.

(b) Postjudgment interest under this section does not accrue if the defendant pays the unpaid balance before the 31st day after the date the defendant receives the recovery demand letter.

(c) If the defendant appeals the award of damages, this section does not apply.

(d) This section does not prevent the accrual of postjudgment interest on any portion of an award to which the United States does not have a subrogation right under 42 U.S.C. Section 1395y(b)(2)(B).

SECTION 2. The change in law made by this Act applies only

1 to an award of damages made on or after the effective date of this  
2 Act. An award of damages made before the effective date of this Act  
3 is governed by the law in effect immediately before that date, and  
4 that law is continued in effect for that purpose.

5 SECTION 3. This Act takes effect September 1, 2013.