

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2240
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Business & Commerce
4/20/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Freestanding Emergency Medical Care Facility (FEC) Licensing Act was first enacted in 2009 by the 81st Legislature.

An FEC facility is licensed by the state to provide 24-hour emergency services to patients at the same level as a hospital-based emergency room.

A licensed FEC is a health care facility that provides emergency care, with the exception of trauma care, but is completely separate from an acute-care hospital. Typically, these facilities will have transfer agreements with area hospitals so they can transfer patients who need to be admitted.

Some FECs are owned and run by hospitals, and the hospitals operate these ERs as a department of the hospital and bill their services under the hospital's tax ID. Independent FECs may be owned by physicians or other business interests.

Throughout the state, FECs are rapidly popping up in residential areas. Though these facilities tend to have the same look and feel of urgent care centers, many consumers are unaware that these facilities are often out of network and can charge patients multiple times more for the same services resulting in surprise medical bills.

S.B. 2240 takes important steps to require greater transparency at freestanding ERs and ensure consumers receive adequate information to make informed healthcare decisions for them and their families. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 2240 amends current law relating to notice of health benefit plan provider network status provided by certain freestanding emergency medical care facilities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 241.252, Health and Safety Code, by amending Subsection (b) and adding Subsections (e) and (f), as follows:

(b) Requires a facility described by Section 241.251 (Applicability) to post a notice that:

(1) creates this subdivision from existing text and makes nonsubstantive changes;
and

(2) either:

(A) lists the health benefit plans (plans) in which the freestanding emergency medical care facility (facility) is a participating provider in the plan's provider network; or

(B) states the facility is not a participating provider in any plan provider network.

(e) Provides that, notwithstanding Subsection (c) (relating to a certain notice required to be posted prominently and conspicuously at certain locations), a facility that is a participating provider in one or more plan provider networks complies with Subsection (b)(2) if the facility provides a certain notice on the facility's Internet website and provides to a patient a certain written confirmation.

(f) Prohibits a facility described by Section 241.251 from including in any of the facility's signage or marketing materials the logo or name of any insurer, or health maintenance organization, plan, or plan network in which the facility does not participate.

SECTION 2. Amends Section 254.155, Health and Safety Code, by amending Subsection (a) and adding Subsections (d) and (e), as follows:

(a) Requires a facility to post notice that:

(1) creates this subdivision from existing text and makes nonsubstantive changes; and

(2) either:

(A) lists the plans in which the facility is a participating provider in the plan's provider network; or

(B) states the facility is not a participating provider in any plan provider network.

(d) Provides that, notwithstanding Subsection (b) (relating to a certain notice required to be posted prominently and conspicuously at certain locations), a facility that is a participating provider in one or more plan provider networks complies with Subsection (a)(2) if the facility provides a certain notice on the facility's Internet website and provides to a patient a certain written confirmation.

(e) Prohibits a facility from including in any of the facility's signage or marketing materials the logo or name of any insurer, or health maintenance organization, plan, or plan network in which the facility does not participate.

SECTION 3. Effective date: September 1, 2017.