

By: Sheffield

H.B. No. 3997

A BILL TO BE ENTITLED

AN ACT

relating to the liability of a rural or community hospital for a health care liability claim.

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

SECTION 1. Section 74.001, Civil Practice and Remedies Code, is amended by adding Subdivision (26) to read as follows:

(26) "Rural or community hospital" means a hospital that:

(A) is located in a county with a population of 60,000 or less;

(B) is designated by the Centers for Medicare and Medicaid Services as a critical access hospital, sole community hospital, or rural referral center and is not located in an area defined by the United States Office of Management and Budget as a metropolitan statistical area; or

(C) meets all of the following criteria:

(i) has 100 or fewer beds;

(ii) is designated by the Centers for Medicare and Medicaid Services as a critical access hospital, sole community hospital, or rural referral center; and

(iii) is located in an area defined by the United States Office of Management and Budget as a metropolitan statistical area.

SECTION 2. Section 74.301, Civil Practice and Remedies

Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding the other provisions of this section, in an action on a health care liability claim where final judgment is rendered against a rural or community hospital, the limit of civil liability for noneconomic damages of the hospital, inclusive of all persons and entities for which vicarious liability theories may apply, is limited to an amount not to exceed \$100,000, regardless of the number of defendants against whom the claim is asserted or the number of separate causes of action on which the claim is based.

SECTION 3. Section 74.302(a), Civil Practice and Remedies Code, is amended to read as follows:

(a) In the event that Section 74.301 is stricken from this subchapter or is otherwise to any extent invalidated by a method other than through legislative means, the following, subject to the provisions of this section, shall become effective:

(1) In an action on a health care liability claim where final judgment is rendered against a physician or health care provider other than a health care institution, the limit of civil liability for noneconomic damages of the physician or health care provider other than a health care institution, inclusive of all persons and entities for which vicarious liability theories may apply, shall be limited to an amount not to exceed \$250,000 for each claimant, regardless of the number of defendant physicians or health care providers other than a health care institution against whom the claim is asserted or the number of separate causes of action on which the claim is based.

1 (2) In an action on a health care liability claim where
2 final judgment is rendered against a single health care
3 institution, the limit of civil liability for noneconomic damages
4 inclusive of all persons and entities for which vicarious liability
5 theories may apply, shall be limited to an amount not to exceed
6 \$250,000 for each claimant.

7 (3) In an action on a health care liability claim where
8 final judgment is rendered against more than one health care
9 institution, the limit of civil liability for noneconomic damages
10 for each health care institution, inclusive of all persons and
11 entities for which vicarious liability theories may apply, shall be
12 limited to an amount not to exceed \$250,000 for each claimant and
13 the limit of civil liability for noneconomic damages for all health
14 care institutions, inclusive of all persons and entities for which
15 vicarious liability theories may apply, shall be limited to an
16 amount not to exceed \$500,000 for each claimant.

17 (4) Notwithstanding Subdivisions (1), (2), and (3), in
18 an action on a health care liability claim where final judgment is
19 rendered against a rural or community hospital, the limit of civil
20 liability for noneconomic damages of the hospital, inclusive of all
21 persons and entities for which vicarious liability theories may
22 apply, is limited to an amount not to exceed \$100,000, regardless of
23 the number of defendants against whom the claim is asserted or the
24 number of separate causes of action on which the claim is based.

25 SECTION 4. Section 74.303, Civil Practice and Remedies
26 Code, is amended by amending Subsections (a) and (c) and adding
27 Subsection (a-1) to read as follows:

1 (a) Except as provided by Subsection (a-1), in ~~In~~ a
2 wrongful death or survival action on a health care liability claim
3 where final judgment is rendered against a physician or health care
4 provider, the limit of civil liability for all damages, including
5 exemplary damages, shall be limited to an amount not to exceed
6 \$500,000 for each claimant, regardless of the number of defendant
7 physicians or health care providers against whom the claim is
8 asserted or the number of separate causes of action on which the
9 claim is based.

10 (a-1) In a wrongful death or survival action on a health
11 care liability claim where final judgment is rendered against a
12 rural or community hospital, the limit of civil liability for all
13 damages, including exemplary damages, shall be limited to an amount
14 not to exceed \$100,000, regardless of the number of defendant
15 physicians or health care providers against whom the claim is
16 asserted or the number of separate causes of action on which the
17 claim is based.

18 (c) Subsection (a) or (a-1) does not apply to the amount of
19 damages awarded on a health care liability claim for the expenses of
20 necessary medical, hospital, and custodial care received before
21 judgment or required in the future for treatment of the injury.

22 SECTION 5. Subchapter G, Chapter 74, Civil Practice and
23 Remedies Code, as amended by this Act, applies only to a cause of
24 action that accrues on or after the effective date of this Act.

25 SECTION 6. This Act takes effect September 1, 2019.