

BILL ANALYSIS

C.S.H.B. 2064
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Judiciary & Civil Jurisprudence
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the calculation of the amount of hospital and physician liens on a cause of action or claim of an individual who receives hospital services for injuries caused by an accident that is attributed to another person's negligence. Current law provides that such a lien is for the lesser of the amount of the hospital's charges for services provided to the injured individual during the first 100 days of the injured individual's hospitalization or 50 percent of all amounts recovered by the injured individual through a cause of action, judgment, or settlement. Since the current calculation method can result in lien amounts larger than the amount a jury would reasonably award the injured person, there have been calls to provide an alternative method for calculating the amount of the lien. C.S.H.B. 2064 seeks to address this issue by providing for such an alternative method.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 2064 amends the Property Code to revise the method for determining the amount of a hospital or physician lien on a cause of action or claim of an individual who receives hospital services for injuries caused by an accident that is attributed to another person's negligence and who is admitted to the hospital not later than 72 hours after that accident. The lien is the lesser of the following amounts:

- either of the applicable amounts prescribed by statute less the pro rata share of attorney's fees and expenses the injured individual incurred in pursuing the claim; or
- the amount awarded by the trier of fact for the services provided to the injured individual by the hospital less the pro rata share of attorney's fees and expenses the individual incurred in pursuing the claim.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2064 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The original provided for deducting the pro rata share of attorney's fees and expenses the injured individual incurred in pursuing the claim only in the alternative method provided by the bill for determining the amount of the lien, whereas the substitute also accounts for that deduction of the pro rata share of attorney's fees and expenses when applying either of the two previously existing methods for determining the amount of the lien.

The substitute includes a savings provision absent from the original.