

BILL ANALYSIS

C.S.S.B. 490
By: Hughes
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Medical bills are already complicated enough as it is. However, some medical providers still give customers a bill with a single "balance due" notation without fully disclosing the services rendered and their corresponding charges. An itemized bill is a crucial patient protection measure that ensures patients are aware of the charges they are receiving and enables them to check that the bill is accurate. Currently, the lack of an itemized bill impedes transparency, thus infringing the rights of the patient. Under current practices, patients are often unable to verify that the services were accurately billed for or recorded. Although patients are legally entitled to an itemized bill upon request, it can be challenging to speak with someone in the billing department who can offer one. C.S.S.B. 490 seeks to solve this issue by requiring health care providers to issue an itemized bill prior to or at the same time as attempting to collect payment from the patient after providing a health care service or related supply to the patient.

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.S.B. 490 amends the Health and Safety Code to require a health care provider that requests payment from a patient after providing a health care service or related supply to the patient to submit with the request a written, itemized bill of the alleged cost of each service and supply provided to the patient during their visit to the provider. The bill requires the provider to submit the itemized bill not later than the 30th day after the provider receives a final payment on the provided service or supply from a third party.

C.S.S.B. 490 authorizes the provider to issue the itemized bill electronically, including through a patient portal on the provider's website, and requires the itemized bill to include the following:

- a plain language description of each distinct health care service or supply the provider provided to the patient;
- if the provider sought or is seeking reimbursement from a third party, any billing code submitted to the third party and the amounts billed to and paid by that third party; and
- the amount the provider alleges is due from the patient for each service and supply provided to the patient.

The bill entitles a patient to obtain an itemized bill from the provider on request at any time after the itemized bill is initially issued and prohibits a provider from pursuing debt collection, as

defined by the Finance Code, against a patient for a provided service or supply unless the provider has complied with the bill's provisions.

C.S.S.B. 490 requires the appropriate licensing authority to impose an administrative penalty against a provider that violates the bill's provisions in the amount of \$1,000 for each violation. The bill authorizes the appropriate licensing authority also to take other disciplinary action against the provider for the violation as if the provider violated an applicable licensing law.

C.S.S.B. 490 defines the following terms:

- "health care provider" as an individual or facility licensed, certified, or otherwise authorized to provide health care services or supplies in Texas in the ordinary course of business or professional practice, including a physician or a hospital; and
- "health care service" as a service a health care provider provides to an individual to diagnose, prevent, treat, alleviate, cure, or heal a human health condition, illness, injury, or disease.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 490 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute includes a specification absent from the engrossed clarifying that the bill's requirement to submit the itemized bill applies only with respect to a request for payment from a patient after providing the health care service or supply, rather than with respect to any request for payment from a patient for such a service or supply, as in the engrossed. Moreover, the substitute includes a specification that, rather than the itemized bill containing charges for all services and supplies provided, as in the engrossed, the itemized bill must include the alleged cost of each service and supply provided.

Whereas the engrossed required the itemized bill to include the amount the provider agrees to accept as full payment for each service and supply that provider provided to the patient, the substitute requires the itemized bill to include the amount the provider alleges is due from the patient for each service and supply provided to the patient.

The substitute includes the following, which did not appear in the engrossed:

- a deadline by which a provider is required to submit the itemized bill of not later than the 30th day after the provider receives a final payment on the provided service or supply from a third party; and
- a requirement for the appropriate licensing authority to impose a \$1,000 administrative penalty against a provider for each violation of the bill's provisions.