**BILL ANALYSIS**

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| Senate Research Center | C.S.S.B. 331 |
| 89R22874 KRM-D | By: Kolkhorst |
|  | Health & Human Services |
|  | 4/10/2025 |
|  | Committee Report (Substituted) |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Healthcare spending in the United States is among the highest in the world and continues to rise. In 2023, the U.S. spent nearly 17.6 percent of its gross domestic product (GDP) on healthcare. The federal government predicts that total national health spending will reach $7.7 trillion by 2032.1

Since 2021, all U.S. hospitals must follow state and federal price transparency regulations and post charges and rates for shoppable services.2 However, the final rule did not include freestanding emergency rooms and outpatient clinics. Patients are now more accustomed to comparing prices for shoppable healthcare services. However, patients still do not have price information from facilities like urgent care or freestanding ERs.

S.B. 331 seeks to expand price transparency disclosures, which are already required by hospitals under S.B. 1137 (87R), to freestanding ERs, urgent care or retail clinics, ambulatory surgical centers, outpatient clinics, birthing centers, and other acute care facilities within the Health and Human Services Commission's (HHSC) regulatory authority. S.B. 331 will also establish a penalty schedule for facilities that are not in compliance following the implementation date.

Key Provisions

• S.B. 331 amends Chapter 327, Health and Safety Code, and adds new healthcare facilities that must post online their standard charges for all services and display additional negotiated charges for 300 shoppable services as set by the Centers for Medicare and Medicaid.

• S.B. 331 adds the following facilities required to comply with Chapter 327, Health and Safety Code: freestanding emergency medical care facilities, urgent care or retail clinics, outpatient clinics, birthing centers, ambulatory surgical centers, and any other licensed to provide healthcare services.

• Allows HHSC to impose an administrative penalty on a facility that is non-compliant with the price disclosure requirements.

1 U.S. Department of Health and Human Services, Centers for Medicare and Medicaid, "NHE Fact Sheet" December 18, 2024. Accessed 1/9/2025. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>.

2 U.S. Department of Health and Human Services, Centers for Medicare and Medicaid, "NHE Fact Sheet" September 2024. Accessed 1/13/2025 <https://www.cms.gov/newsroom/fact-sheets/hospital-price-transparency-enforcement-updates>

Committee Substitute Changes

• Aligns the facilities that must comply with S.B. 331 to those within HHSC's regulatory authority.

• Clarifies that S.B. 331 only applies to facilities with revenue that exceeds $7 million.

• Establishes a penalty schedule for facilities that meet the $7 million dollar revenue threshold and violate the provisions of this bill including:

o $100 per day for facilities with revenue between $7 million and $100 million; or

o $1,000 per day for facilities with revenue over $100 million.

C.S.S.B. 331 amends current law relating to the disclosure of health care cost information by certain health care facilities and imposes an administrative penalty.

**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 327.001(7), Health and Safety Code, to redefine "facility."

SECTION 2. Amends Chapter 327, Health and Safety Code, by adding Section 327.0015, as follows:

Sec. 327.0015. APPLICABILITY. Provides that this chapter applies only to a facility with a total gross revenue of $7 million or more.

SECTION 3. Amends Sections 327.008(a), (c), and (d), Health and Safety Code, as follows:

(a) Authorizes the Health and Human Services Commission (HHSC) to impose an administrative penalty on a facility if the facility fails to respond to HHSC's request to submit a corrective action plan, or comply with the requirements of a corrective action plan submitted to HHSC. Deletes existing text authorizing HHSC to impose an administrative penalty on a facility in accordance with Chapter 241 (Hospitals) if the facility fails to respond to HHSC's request to submit a corrective action plan, or comply with the requirements of a corrective action plan submitted to HHSC.

(c) Prohibits the penalty imposed by HHSC, for a facility with a certain total gross revenue, from exceeding $100 for each day the facility violated Chapter 327 (Disclosure of Prices), if the facility's total gross revenue is $7,000,000, rather than $10,000,000 or more and less than $100,000,000. Deletes existing text prohibiting the penalty imposed by HHSC, for a facility with a certain total gross revenue as reported to the Centers for Medicare and Medicaid Services or to another entity designated by HHSC rule in the year preceding the year in which a penalty is imposed, from exceeding $10 for each day the facility violated this chapter, if the facility's total gross revenue is less than $10,000,000. Makes nonsubstantive changes.

(d) Prohibits a cumulative administrative penalty from exceeding the applicable daily amount provided by Subsection (c).

SECTION 4. Provides that a health care facility required to disclose billing information as a result of the amendment to Chapter 327, Health and Safety Code, by this Act is not required to disclose information in accordance with that chapter until August 31, 2027.

SECTION 5. Makes application of Section 327.008, Health and Safety Code, as amended by this Act, prospective.

SECTION 6. Effective date: upon passage or September 1, 2025.