**BILL ANALYSIS**

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| Senate Research Center | S.B. 1232 |
| 89R5574 MPF-F | By: Hancock |
|  | Health & Human Services |
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|  | As Filed |

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

There have been recent stories of patients going to a nearby doctor's office for non-emergency care but then charged a surprise fee by the facility. Patients are also charged fees for receiving telehealth services when they are in their own home. These fees are becoming more common as hospitals and health systems acquire different healthcare settings.

Facility fees have been fees that hospitals add to their charge for a healthcare service to account for the higher costs of operating a hospital, such as being open 24/7 and paying for expensive medical technology. While adding a facility fee to a medical bill may be logical for services provided in a hospital, it is causing confusion and added cost to care not provided in a hospital setting.

S.B. 1232 addresses facility fees of healthcare providers by requiring notice to consumers and health benefit plans and prohibiting fees for most telehealth services.

As proposed, S.B. 1232 amends current law relating to certain health care transaction fees and payment claims and inclusion of a national provider identifier on a payment claim and provides an administrative penalty.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 328.008, Health and Safety Code) of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle G, Title 4, Health and Safety Code, by adding Chapter 328, as follows:

CHAPTER 328. FACILITY FEES

Sec. 328.001. DEFINITIONS. Defines "commission," "executive commissioner," "facility fee," "health care provider," "health care provider campus," "hospital," "national provider identifier," "preventative health services," "provider-based facility," " telehealth service" and "telemedicine medical service," and "third party payor."

Sec. 382.002. PROHIBITED FACILITY FEES. Prohibits a health care provider from charging a facility fee for telehealth services or telemedicine medical services or for preventative health services.

Sec. 328.003. REQUIRED NATIONAL PROVIDER IDENTIFIER. Requires a health care provider required or eligible to obtain a national provider identifier under federal law to apply for and obtain a national provider identifier for the provider and each provider-based facility the health care provider owns or manages or with which the health care provider is otherwise affiliated.

Sec. 328.004. INCLUSION OF NATIONAL PROVIDER IDENTIFIER ON HEALTH CARE PROVIDER CLAIM. (a) Requires a health care provider or provider-based facility required to obtain a unique national provider identifier under Section 328.003 to include the national provider identifier of the facility where the health care services and supplies were provided on each claim for reimbursement or payment, including any facility fee charged, for the provided health care services or supplies.

(b) Authorizes a health care provider or provider-based facility required to obtain a unique national provider identifier to charge a facility fee for providing health care services or supplies only if the claim for reimbursement or payment for the services or supplies includes the national provider identifier of the facility where the services or supplies were provided.

Sec. 328.005. PROHIBITED REIMBURSEMENT. Prohibits a health benefit plan issuer or third party payor from paying a facility fee charge on a health care provider's claim for reimbursement for provided health care services or supplies unless the claim includes the unique national provider identifier for the facility where the health care services or supplies were provided.

Sec. 328.006. NOTICE OF FACILITY FEE. (a) Requires a health care provider to provide to a patient written notice of a facility fee charged for a health care service or supply provided to the patient at a provider-based facility that is at a location other than the health care provider campus, provides services organizationally and functionally integrated with the provider, and provides outpatient preventative health services, diagnostic health services, treatment services, or emergency care.

(b) Requires that the written notice required under Subsection (a), except as provided by Subsection (c), be provided to the patient not later than the 10th day before the date scheduled for provision of the health care service or supply.

(c) Requires a health care provider to provide the written notice required under Subsection (a) on the date the health care service or supply is provided if the provision of the health care service or supply is scheduled less than 10 days before that date.

(d) Requires that the written notice required under Subsection (a) include the amount of the facility fee, the purpose of the facility fee, and information on whether a patient's health benefit plan covers the facility fee.

(e) Requires a health care provider before the provider is authorized to begin charging a facility fee for provision of a health care service or supply at a newly built provider-based facility, at a provider-based facility that did not previously charge a facility fee, or for a health care service or supply that did not previously include a facility fee charge, to notify all contracted health benefit plan issuers and third party payors of the provider's intent to begin charging facility fees at the facility or for the service or supply.

(f) Prohibits a health care provider from charging a patient a facility fee at a provider-based facility or for a health care service or supply unless the provider provides notice as required by this section.

Sec. 328.007. ENFORCEMENT. (a) Requires the Health and Human Services Commission (HHSC) to assess an administrative penalty in an amount not to exceed $1,000 against a health care provider that violates this chapter or a rule adopted under this chapter.

(b) Provides that this section does not create a private cause of action against a provider for legal or equitable relief.

Sec. 328.008. RULES. Authorizes the executive commissioner of HHSC to adopt rules to implement this chapter.

SECTION 2. Effective date, except as provided by Subsection (b) of this section: September 1, 2025.

(b) Effective date, Section 328.005, Health and Safety Code, as added by this Act: January 1, 2026.