

BILL ANALYSIS

C.S.H.B. 1314
By: Hickland
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that healthcare is an essential component to improving the lives and well-being of individuals across our state, yet opaque costs and prices remain a leading barrier to consumers desiring medical care. According to the National Library of Medicine, many commercial insurers have created price transparency tools to help estimate healthcare costs for consumers, but these tools do not always provide an accurate estimation and can be difficult for individuals to maneuver. C.S.H.B. 1314 seeks to bridge the gaps with medical price transparency by providing consumers with further clarity regarding estimated and billed healthcare costs.

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. 1314 amends the Health and Safety Code to revise provisions governing the billing policies of an ambulatory surgical center, birthing center, hospital, or freestanding emergency medical care facility. The bill revises the requirement for such a facility to provide an estimate of the facility's charges for any elective inpatient admission or nonemergency outpatient surgical procedure or other service on request and before the scheduling of the admission, procedure, or service by doing the following:

- establishing that the consumer is entitled to receive the estimate of the facility's charges;
- specifying that the facility's charges provided on the estimate are the facility's billed charges; and
- specifying that the estimate must be provided to the consumer at their request.

The bill replaces the requirement that the estimate be provided not later than the 10th business day after the date on which it is requested with a requirement for the facility to provide the estimate to the requesting consumer by email not later than five business days after receiving the request. The bill defines "estimate" as a written statement outlining a consumer's total expected billed charges for a nonemergency elective medical service or procedure.

C.S.H.B. 1314 requires a facility to include in the estimate information regarding the manner in which an eligible consumer may dispute final billed charges that exceed the amount specified in the estimate by \$400 or more, as provided by federal regulations.

C.S.H.B. 1314 prohibits an applicable facility that violates provisions governing its billing policies from taking or facilitating the taking of any third-party collection action against a consumer, reporting the consumer to a credit bureau, or pursuing an action against the consumer.

C.S.H.B. 1314 repeals Subchapter B, Chapter 324, Health and Safety Code, relating to the establishment of the consumer guide to health care on the Department of State Health Services website.

C.S.H.B. 1314 applies only to a request for an estimate made on or after the bill's effective date. A request for an estimate made before the bill's effective date is governed by the law in effect at the time the request was made, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 1314 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Both the introduced and substitute revise the requirement for an applicable facility to provide an estimate of the facility's charges for any elective inpatient admission or nonemergency outpatient surgical procedure or other service on request and before the scheduling of the admission, procedure, or service. Whereas the introduced revised that requirement by restricting the persons entitled to receive an estimate to consumers who present to the facility a valid medical order for such an admission, service, or procedure, the substitute revises that requirement by doing the following:

- establishing that the consumer is entitled to receive the estimate of the facility's charges;
- specifying that the facility's charges provided on the estimate are the facility's billed charges; and
- specifying that the estimate must be provided to the consumer at their request

Both the introduced and substitute replace the requirement that the requested estimate be provided not later than the 10th business day after the date on which it is requested. Whereas, the introduced required a facility to provide the estimate to the requesting consumer by email not later than 24 hours after receiving the request, the substitute requires the facility to provide the estimate not later than 5 business days after receiving the request.

The substitute omits the following provisions from the introduced:

- the prohibition against an applicable facility's final billed charges from exceeding the amount specified in an estimate by more than five percent unless the additional charges are related to complications that arose during the procedure or service or as a result of a change of diagnosis that is documented in the patient's chart; and
- the requirement for the facility, if the final billed charges exceed that limit, to provide to the patient a written statement describing the difference in the billed charge amount and the estimate amount and the complications or change of diagnosis that resulted in the difference.

The substitute includes a requirement absent from the introduced for a facility to include in an estimate information regarding the manner in which an eligible consumer may dispute final billed charges that exceed the amount specified in the estimate by \$400 or more, as provided by federal regulations.

Whereas the introduced prohibited an applicable facility that violates provisions governing its billing policies from collecting or taking any collection action against a consumer, the substitute prohibits such a facility from taking or facilitating the taking of any third-party collection action against a consumer.