

## **BILL ANALYSIS**

C.S.S.B. 331  
By: Kolkhorst  
Public Health  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The bill sponsor has informed the committee that in November 2019, the Centers for Medicare and Medicaid Services established rules that require certain hospitals to disclose and publish their standard charges for a wide range of services they provide, and the 87th Texas Legislature codified those disclosure requirements into state law in 2021. However, these requirements in state law do not currently apply to types of health care facilities other than hospitals. C.S.S.B. 331 seeks to extend applicability of the current price transparency disclosure requirements to certain other health care facilities, make those requirements applicable only to facilities with a total gross revenue of \$12 million or more, and clarify the provisions regarding administrative penalties for violations of the disclosure requirements.

### **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. 331 amends the Health and Safety Code to change the type of facility subject to statutory provisions requiring the disclosure of health care cost information by certain health care facilities from only hospitals licensed under the Texas Hospital Licensing Law to the following:

- any hospital, including:
  - a general hospital;
  - a special hospital;
  - a mental hospital;
  - a hospital that operates a crisis stabilization unit;
  - a limited services rural hospital; or
  - a hospital operating under a certificate of public advantage under statutory provisions regarding cooperative or merger agreements among hospitals;
- an abortion facility;
- an ambulatory surgical center;
- a birthing center;
- a chemical dependency treatment facility;
- an end stage renal disease facility;
- a freestanding emergency medical care facility;
- a narcotic drug treatment program; or
- a special care facility.

However, the bill limits the applicability of those statutory provisions to a facility with a total gross revenue of \$12 million or more.

With respect to the administrative penalty that the Health and Human Services Commission (HHSC) may impose on a facility that fails to respond to HHSC's request to submit a corrective action plan under the applicable statutory provisions or to comply with the requirements of a corrective action plan submitted to HHSC, C.S.S.B. 331 does the following:

- removes the specification that such a penalty is imposed in accordance with the Texas Hospital Licensing Law;
- removes the provision capping the penalty for a facility with a total gross revenue less than \$10,000,000 at \$10 for each day the facility violated the statutory provisions;
- in the provision capping the penalty for a facility with total gross revenue of \$10,000,000 or more and less than \$100,000,000 at \$100 for each day the facility violated the statutory provisions:
  - increases the minimum total gross revenue of a facility subject to the cap to \$12,000,000; and
  - changes the cap to \$100 for each violation of the statutory provisions; and
- removes the specification that, for purposes of determining the penalty cap, a facility's total gross revenue is that 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.

C.S.S.B. 331 establishes that a health care facility required to disclose billing information as a result of the bill's provisions is not required to disclose that information until August 31, 2029. The bill's changes regarding the administrative penalty apply only to a violation that occurs on or after the bill's effective date. A violation that occurs before the bill's effective date is governed by the law as it existed on the date the violation occurred, and that law is continued in effect for that purpose.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

### **COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 331 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.

Whereas the engrossed limited the applicability of statutory provisions requiring the disclosure of health care cost information by certain health care facilities to a facility with a total gross revenue of \$7 million or more, the substitute limits the applicability of those provisions to a facility with a total gross revenue of \$12 million or more.

Both the engrossed and substitute revise the provision capping the administrative penalty for a facility with a total gross revenue of \$10,000,000 or more and less than \$100,000,000 at \$100 for each day the facility violated the applicable statutory provisions. However, the versions differ as follows:

- whereas the engrossed decreased the minimum total gross revenue of a facility subject to the cap to \$7,000,000, the substitute increases that minimum total gross revenue to \$12,000,000; and
- the substitute changes the cap from \$100 for each day the facility violates the applicable statutory provisions to \$100 for each violation of those provisions, whereas the engrossed did not.

The substitute omits a provision from the engrossed that prohibited a cumulative administrative penalty from exceeding the applicable daily amount.