

BILL ANALYSIS

S.B. 1777
By: Miles
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Patients leaving the hospital often face difficult decisions about where to live to receive the care they need. The bill sponsor has informed the committee that while group homes can provide that care and patients trust medical professionals for guidance, this trust can be exploited as group homes in Texas are largely unregulated. The bill sponsor has further informed the committee that if a medical professional receives financial compensation for referring a patient to a group home, it creates a harmful incentive and breaks patient trust. S.B. 1777 seeks to address these issues by prohibiting a health care provider or employee or contractor of a health care provider from receiving payment for referring patients to unlicensed group homes.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes 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

S.B. 1777 amends the Health and Safety Code to prohibit a health care provider or employee or contractor of a health care provider from accepting any form of payment for referring a potential resident to a group home if the group home is owned or operated by a person who does not hold a license or permit for the group home issued in accordance with applicable state laws or local regulations. The bill creates a Class B misdemeanor offense for a health care provider or employee or contractor of a health care provider who violates that prohibition. The bill defines "health care provider" as an individual who is licensed, certified, or otherwise authorized to provide health care services in Texas.

S.B. 1777 establishes that, to the extent of any conflict, the bill's provisions prevail over another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

EFFECTIVE DATE

September 1, 2025.