

BILL ANALYSIS

Senate Research Center
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S.B. 1784
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Health & Human Services
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Medical debt remains a significant financial burden for many Texans, often catching patients off guard when they are sent to collections without prior notice. Unexpected medical bills and aggressive debt collection practices can cause financial distress and negatively impact credit scores, making it harder for individuals to recover financially. Many patients may not even be aware of outstanding balances or may be in the process of resolving billing disputes when collection actions are taken. Providing a clear, advance notice before initiating debt collection would give patients an opportunity to address outstanding medical expenses, explore payment options, or correct any billing errors.

S.B. 1784 seeks to protect patients from sudden and unexpected debt collection actions by requiring healthcare providers to provide written notice at least 60 days before initiating debt collection for medical services or supplies. This notice period allows patients the opportunity to review their bills, arrange for payments, dispute potential errors, or seek financial assistance. By implementing this requirement, S.B. 1784 promotes greater transparency in medical billing, reduces financial hardship, and ensures that patients have a fair chance to address outstanding medical debts before facing collection efforts.

As proposed, S.B. 1784 amends current law relating to notice provided by a health care provider before initiating debt collection against a patient.

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 Chapter 185, Health and Safety Code, by adding Section 185.004, as follows:

Sec. 185.004. REQUIRED NOTICE OF DEBT COLLECTION. Requires a health care provider that intends to pursue debt collection for a health care service or supply provided to a patient to provide written notice to the patient at least 60 days before the date the provider initiates debt collection.

SECTION 2. Makes application of Section 185.004, Health and Safety Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2025.