

By: Oliverson

H.B. No. 3708

A BILL TO BE ENTITLED

AN ACT

relating to charity care provided by certain health care facilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 311, Health and Safety Code, is amended by adding Section 311.0454 to read as follows:

Sec. 311.0454. CHARITY CARE SCREENING. (a) Using the process prescribed by the commission under this section, a non-disproportionate share hospital shall screen all patients for eligibility of the hospital's financial assistance program and charity care policy. A hospital cannot pursue debt collections of any patient account until the hospital verifies the patient is not eligible for the hospital's financial assistance program and charity care policy.

(b) The executive commissioner of the Health and Human Services Commission shall adopt by rule the process for screening a patient for eligibility for charity care under Subsection (a).

(c) The rules and process adopted under Subsection (b) must require a hospital:

(1) before sending a bill to the patient, to conduct the screening and apply any charity care discounts or full cost coverage for which the patient qualifies for; and

(2) include on each billing statement notice of:

(A) the availability of financial assistance;

1           (B) the contact information for the office or  
2 department of the hospital that can provide information about  
3 obtaining financial assistance; and

4           (C) the direct Internet address for the financial  
5 assistance policy.

6           (d) A patient may apply for charity care if the patient was  
7 screened for eligibility and was found not to be eligible or the  
8 patient disagrees with the amount of the charity care discount.

9           (e) If a hospital makes an incorrect determination under  
10 Subsection (a) based on the information provided by the patient at  
11 the time of the determination, the hospital shall:

12           (1) refund the amount of charity care for which the  
13 patient qualified; and

14           (2) reimburse any other associated reasonable costs,  
15 such as legal expenses and fees, incurred by the patient in securing  
16 charity care.

17           (f) If the hospital sold debt based on an incorrect  
18 determination to a collection agency or authorized a collection  
19 agency to collect the debt on behalf of the hospital, the hospital  
20 shall notify the collection agency that the debt is invalid.

21           (g) If the commission determines that a hospital fails to  
22 comply with this section:

23           (1) upon the first violation, the commission shall  
24 institute a corrective action plan for the hospital and post it on  
25 the commission's internet website;

26           (2) upon the second violation:

27           (A) the commission shall apply an administrative

1 penalty of not less than \$250,000; and

2 (B) apply a probationary of period of not more  
3 than 90 days, after which the commission shall confirm that the  
4 hospital is in compliance with this section; and

5 (3) upon the third violation, the commission shall  
6 inform the attorney general of the nature of the non-compliance,  
7 who shall bring an action in the name of this state to revoke the  
8 hospital's state tax exemptions.

9 SECTION 2. 311.045, Health and Safety Code, is amended by  
10 adding Subsection (g) to read as follows:

11 (g) When calculating net patient revenue under this  
12 section, a hospital or hospital system shall include all facilities  
13 and practices offering medical services located in this state under  
14 the common governance of a single corporate parent, regardless of  
15 their radius from that corporate parent.

16 (h) All facilities described by Subsection (g) must comply  
17 with charity care screening requirements found in by Section  
18 311.0454.

19 SECTION 3. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2025.