

BILL ANALYSIS

Senate Research Center

C.S.S.B. 303
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State Affairs
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Hospital districts may currently adopt procedures to prevent and detect fraud in their indigent care programs. Current law also allows hospital districts to disqualify persons from these programs in cases where fraud appears to exist. The purpose of current law is to address frauds involving the misrepresentation of applicant information. Some frauds for which hospital districts disqualify persons involve the person's presentation of fraudulent applicant information regarding residency, income, or resources.

Due to Texas's high rate of uninsured persons and other factors, hospital districts are experiencing increasing demand for taxpayer-funded indigent care services. These entities have a duty to make certain that their public funds are spent on services that are not fraudulently obtained and to seek recovery for services gained in such a manner.

C.S.S.B. 303 amends current law relating to health care services provided or paid by a hospital district.

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 Section 61.066, Health and Safety Code, by adding Subsection (c), to authorize a hospital district to recover, from the eligible resident perpetrating a fraud, an amount equal to the value of any fraudulently obtained health care services provided to the eligible resident disqualified under this section.

SECTION 2. Amends Subchapter C, Chapter 61, Health and Safety Code, by adding Section 61.067, as follows:

Sec. 61.067. LIEN BY NON-PROVIDER HOSPITAL DISTRICT. (a) Provides that this section applies to a hospital district that does not operate a hospital.

(b) Authorizes a hospital district, after the district pays the providing hospital for the actual cost of the service, to file a lien on a tort cause of action or claim of an eligible resident who receives health care services for injuries caused by an accident that is attributed to the negligence of another person.

(c) Requires a person who applies for or receives health care services to inform the hospital district, at the time of application or at any time during eligibility for services, of any unsettled tort claim that may affect medical needs, any private accident or health insurance coverage that is or may become available, and any injury that is caused by the act or failure to act of some other person.

(d) Requires an applicant or eligible resident to inform the hospital district of information required by Subsection (b) within 10 days of the date the person learns of the person's insurance coverage, tort claim, or potential cause of action.

(e) Provides that a claim for damages for personal injury does not constitute grounds for denying or discontinuing services under this chapter or Chapter 61 (Indigent Health Care and Treatment Act).

(f) Provides that a lien under this chapter attaches to:

(1) a tort cause of action for damages arising from an injury for which the injured eligible resident receives health care services;

(2) a judgment of a court in this state or the decision of a public agency in a proceeding brought by the eligible resident or by another person entitled to bring the suit in case of the death of the eligible resident to recover tort damages arising from an injury for which the eligible resident receives health care services; and

(3) the proceeds of a settlement of a tort cause of action or a tort claim by the eligible resident or another person entitled to make the claim, arising from an injury for which the eligible resident receives health care services. Provides that if the eligible resident has health insurance, the providing hospital is obligated to timely bill the applicable health insurer in accordance with Chapter 146 (Certain Claims by Health Care Service Providers Barred), Civil Practices and Remedies Code.

(g) Provides that the lien does not attach to a claim under the workers' compensation law of this state, the Federal Employees Liability Act, or the Federal Longshore and Harbor Workers' Compensation Act.

(h) Provides that a hospital district's lien established under Section 61.067(b) is for the amount actually paid by the hospital district for services provided to the eligible resident for health care services caused by an accident that is attributed to the negligence of another person.

(i) Requires a hospital district, to secure the lien, to file written notice of the lien with the county clerk of the county in which the services were provided. Requires that the notice be filed and indexed before money is paid by the third party liability insurer. Sets forth certain requirements for the notice.

(j) Requires the county clerk to record the name of the injured individual, the date of the accident, and the name and address of the hospital district and to index the record in the name of the injured individual.

(k) Requires that the procedures set forth in Sections 55.006 (Discharging a Lien) and 55.007 (Validity of Release), Property Code, for discharging and releasing the lien apply to liens filed under this section.

(l) Requires that procedures established by a hospital district for administrative hearings under this section provide for appropriate due process, including procedures for appeals.

SECTION 3. Provides that this Act applies only to the filing of an application for services or receipt of services as described by Section 61.067, Health and Safety Code, as added by this Act, on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2011.