

BILL ANALYSIS

Senate Research Center

S.B. 2240
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Freestanding Emergency Medical Care Facility (FEC) Licensing Act was first enacted in 2009 by the 81st Legislature.

An FEC facility is licensed by the state to provide 24-hour emergency services to patients at the same level as a hospital-based emergency room.

A licensed FEC is a health care facility that provides emergency care, with the exception of trauma care, but is completely separate from an acute-care hospital. Typically, these facilities will have transfer agreements with area hospitals so they can transfer patients who need to be admitted.

Some FECs are owned and run by hospitals, and the hospitals operate these ERs as a department of the hospital and bill their services under the hospital's tax ID. Independent FECs may be owned by physicians or other business interests.

Throughout the state, FECs are rapidly popping up in residential areas. Though these facilities tend to have the same look and feel of urgent care centers, many consumers are unaware that these facilities are often out of network and can charge patients multiple times more for the same services resulting in surprise medical bills.

S.B. 2240 takes important steps to require greater transparency at freestanding ERs and ensure consumers receive adequate information to make informed healthcare decisions for them and their families.

As proposed, S.B. 2240 amends current law relating to health care information provided by certain freestanding emergency medical care facilities.

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 241.252, Health and Safety Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires a facility described by Section 241.251 (Applicability) to post a notice that states that the facility is a freestanding emergency medical care facility and not an urgent care center, that any facility fee charged by the facility will be disclosed at the time of service to a patient upon request, and either that the facility does not participate in a provider network or that the facility participates in a provider network. Deletes existing text requiring the notice to state that a facility or a physician providing medical care at the facility is prohibited from being a participating provider in the patient's health benefit plan provider network. Redesignates existing Subdivision (4) as Subdivision (3) and makes no further changes to this subdivision.

(6) Provides that state and federal laws require health plans to cover emergency services at the in network level of benefits. Provides that an out-of-network provider can bill you for amounts in addition to the applicable copay, coinsurance and deductible amounts. Provides that a person, depending on the person's health benefit plan, may be responsible for all charges in excess of the person's health plan's allowable amount for out-of-network providers.

SECTION 2. Amends Section 254.155, Health and Safety Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires a freestanding emergency medical care facility (facility) to post notice that states that the facility is a freestanding emergency medical care facility and not an urgent care center, any facility fee charged by the facility will be disclosed at the time of service to a patient upon request, and either that the facility does not participate in a provider network or that the facility participates in a provider network. Deletes existing text requiring the notice to state that a facility or a physician providing medical care at the facility is prohibited from being a participating provider in the patient's health benefit plan provider network. Redesignates existing Subdivision (4) as Subdivision (3) and makes no further changes to this subdivision.

(6) Provides that state and federal laws require health plans to cover emergency services at the in network level of benefits. Provides that an out-of-network provider can bill you for amounts in addition to the applicable copay, coinsurance and deductible amounts. Provides that a person, depending on the person's health benefit plan, may be responsible for all charges in excess of the person's health plan's allowable amount for out-of-network providers.

SECTION 3. Provides that a facility, notwithstanding Sections 241.252 and 254.155, Health and Safety Code, as amended by this Act, is not required to comply with those provisions until January 1, 2018.

SECTION 4. Effective date: September 1, 2017.