

BILL ANALYSIS

C.S.H.B. 1941
By: Phelan
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the billing practices of freestanding emergency medical care facilities, which may result in substantial unexpected costs to consumers even if those consumers are insured. C.S.H.B. 1941 seeks to address these concerns by authorizing the consumer protection division of the attorney general's office to bring an action on behalf of the state against such facilities that charge fees above a specified level.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the attorney general in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 1941 amends the Business & Commerce Code to establish that, for a freestanding emergency medical care facility, the provision of emergency care at an unconscionable price or demanding or charging an unconscionable price for or in connection with emergency care or other care at the facility constitutes a false, misleading, or deceptive act or practice for purposes of the Deceptive Trade Practices-Consumer Protection Act.

C.S.H.B. 1941 sets the minimum price alleged to be unconscionable for which the consumer protection division of the attorney general's office may bring an action in the name of the state at 200 percent of the average charge for the same or substantially similar care provided to other individuals by emergency rooms of hospitals located in the same county or nearest county in which the emergency facility is located, as applicable, according to data collected by the Department of State Health Services (DSHS) and made available to the division. The bill authorizes the attorney general to adopt rules designating another source of hospital charge data for the division's use in establishing the average charge if the attorney general determines that the division is unable to obtain the charge data collected by DSHS.

C.S.H.B. 1941 authorizes the division to request and the trier of fact to award the recovery of reasonable attorney's fees and court costs and the reasonable expenses incurred by the division in obtaining any remedy available through such an action. The bill expressly does not create a private cause of action for a false, misleading, or deceptive act or practice described by the bill's provisions.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1941 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute specifies that the average charge for hospital emergency room care used in determining the minimum price alleged to be unconscionable is the average charge for that care provided by emergency rooms of hospitals located in the same county or nearest county in which the emergency facility is located.