

## **BILL ANALYSIS**

S.B. 1037  
By: Taylor  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been noted that most individuals who receive unaffordable out-of-network bills did not know the provider was not in their plan's network. Additionally, it has been reported that out-of-network providers in Texas have few limits on the amount that can be billed and may balance bill insured consumers up to the full billed charges even after collecting the full amount covered by a preferred provider benefit plan, including the consumer's co-pay, coinsurance, and deductible amounts due under the plan. There are concerns that many Americans have difficulty paying medical bills and nearly half say their medical bills have had a major impact on their families, as unpaid medical bills can reduce a person's credit score, which may increase general consumer costs because of increased interest rates. S.B. 1037 seeks to protect consumers in situations of surprise balance billing by prohibiting a consumer credit reporting agency from furnishing a consumer report that includes information on a medical collection account when the consumer had health insurance at the time services were received and the collection relates to billing for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim.

### **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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1037 amends the Business & Commerce Code to prohibit a consumer reporting agency from furnishing a consumer report containing information related to a collection account with a medical industry code, if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim. The bill defines "emergency care provider," "facility," "facility-based provider," and "health care practitioner" for purposes of its provisions.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.