

SUBJECT: Requiring hospitals to accept payments directly from patients

COMMITTEE: Health Care Reform, Select — committee substitute recommended

VOTE: 8 ayes — Harless, Howard, Bonnen, Bucy, Frank, Klick, Oliverson, Price
2 nays — E. Morales, Walle
1 absent — Rose

WITNESSES: For — Genevieve Collins, Americans for Prosperity, the LIBRE Initiative; Carl Isett, Texas Association of Benefit Administrators; David Balat, Texas Public Policy Foundation (*Registered, but did not testify*: Tyler Burrridge, Joel Castro, Americans For Prosperity; Gregg Girvan, Foundation for Research on Equal Opportunity; Shannon Meroney, National Association of Benefits & Insurance Professionals; Travis Broussard, Nomi Health; Mia McCord, Texans for Affordable Health Care/American Coalition for Affordable Health Care; Rebecca Galinsky; Susan Stewart)

Against — Adam Hornback, TASCS; Montgomery Stanley, Texas Chiropractic Association; Heather De La Garza, Texas Hospital Association; Ezequiel Silva, Texas Medical Association, Texas Radiological Association; Nicholas Lee, Texas Society of Anesthesiologists; Laura Tamez, Texas Trial Lawyers Association; Jody Hardy; Dimple Kaur; Desh Sahni MD (*Registered, but did not testify*: Heather Vasek, DHR Health Hidalgo County; Daniel Morales, Houston Methodist Hospital; Casey Fisher, Legacy ER & Urgent Care; Timothy Ottinger, St. Luke’s Health; Michelle Apodaca, Webb Cochran, Tenet Health; David Reynolds, Texas Chapter American College of Physicians Services; Sara Allen, Texas College of Emergency Physicians; Joel Ballew, Texas Health Resources; Michael Grimes, Texas Radiological Society; Jill Sutton, Texas Osteopathic Medical Association; Eric Englert; Benedict James; Raul Martinez; Esteban Sandoval)

On — Daniel Chepkaukas, Patient Choice Coalition; Charles Miller,

Texas 2036 (*Registered, but did not testify*: Anne Dunkelberg, Every Texan; Mark Bordas, Family Hospital System; Kenisha Schuster, Texas Department of Insurance; Adrienne Ryholt, Texra Medical Equipment Provider Association; Christopher Hall)

BACKGROUND: Concerns have been raised that hospitals may charge patients who pay in cash higher rates than insured patients for the same services.

DIGEST: CSHB 633 would require a hospital to accept full payment directly from patients, including health benefit plan enrollees, for a health care service provided in the hospital at the patient's request. If an enrollee made a direct payment, the hospital would have to accept the payment in lieu of submitting a claim to the enrollee's health benefit plan. "Health benefit plan" would not include the Medicaid program, the Child's Health Insurance Program, or Medicare benefits.

A patient would be required to make a request to pay the hospital directly within 60 days after receiving the health care service. Notwithstanding any other law, the amount of a direct payment could not exceed the lowest contracted rate for the health care service that the hospital had agreed to accept as payment in full as a contracted, preferred, or participating health benefit plan provider.

The bill would take effect September 1, 2023.

NOTES: According to the Legislative Budget Board, CSHB 633 would have an indeterminate fiscal impact to the state due to the unknown number of individuals and health care providers that would participate in direct payment exchanges and health care providers that would voluntarily discontinue contracting with health insurance companies.