

BILL ANALYSIS

Senate Research Center

S.B. 1671
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Jurisprudence
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As Filed

DIGEST

Currently, when a judgment is awarded in a disputed insurance claim, there is no enforceable mechanism available to a health care provider to recover the health care provider's costs contained within the award. Often, it is the attorney who is awarded the health care costs contained within the award. This bill would require an attorney to provide a letter of protection to a health care provider under certain conditions to guarantee the reimbursement of the health care provider's costs from the settlement award.

PURPOSE

As proposed, S.B. 1671 requires an attorney to provide a letter of protection to a health care provider under certain conditions to guarantee the reimbursement of the health care provider's cost out of the settlement award arising from a disputed insurance claim.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 82C, Government Code, by adding Section 82.0631, as follows:

Sec. 82.0631. LETTERS OF PROTECTION. Requires an attorney to provide a letter of protection to a health care provider under certain conditions. Sets forth the required contents of the letter of protection. Authorizes the letter of protection to be conditioned on a settlement or judgment that is sufficient to pay all claims of all health care providers; and any other persons who have a lien or other legal interest applicable to a portion of the settlement or judgment. Requires an attorney to comply with the terms of a letter of protection provided under this section. Sets forth the sanctions for violation of this section by an attorney. Defines "health care provider."

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.