

BILL ANALYSIS

Senate Research Center

S.B. 534
By: Harris
Jurisprudence
2-19-97
As Filed

DIGEST

Currently, when a state agency pays for certain medical services, the state has a right to recover its costs from any payments a patient may receive in the settlement of a related lawsuit. Texas could avoid some of these medical expenditures by identifying potential third-party liability sources when the suit is initially filed. This bill improves collection efforts by directing the Health and Human Services Commission to enter into subrogation contracts as appropriate.

PURPOSE

As proposed, S.B. 534 improves collection efforts by directing the Health and Human Services Commission to enter into subrogation contracts as appropriate.

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 531B, Government Code, by adding Section 531.0391, as follows:

Sec. 531.0391. SUBROGATION AND THIRD-PARTY REIMBURSEMENT COLLECTION CONTRACT. (a) Requires the Health and Human Services Commission (commission) to enter into contracts to recover money under a subrogation or third-party reimbursement right held by the commission. Sets forth the requirements of the contracts.

(b) Requires the commission to develop a process for identifying certain claims. Requires a health and human services agency to cooperate with a contractor on a claim of the agency referred to the contractor for collection.

(c) Provides that the commission is not required to enter into a contract under Subsection (a) if the commission cannot identify a contractor who is willing to contract with the commission on reasonable terms. Requires the commission to develop and implement alternative policies to ensure the collection of money under a subrogation or third-party reimbursement right, if the commission cannot identify a contractor who is willing to contract on reasonable terms.

(d) Authorizes the commission to allow a state agency other than a health and human services to be a party to contracts required in Subsection (a). Requires the commission to modify the contract as necessary to reflect the services to be provided by the contractor to the additional state agency.

SECTION 2. Requires the commission to enter into an initial contract or implement the alternative policies as required by Section 531.0391, Government Code, by February 1, 1998.

SECTION 3. Requires the commission to prepare a report for certain persons. Sets forth the contents of the report.

SECTION 4. Emergency clause.
Effective date: upon passage.