

BILL ANALYSIS

Senate Research Center
79R3417 AJA-F

S.B. 500
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, a provider of a product or service is prohibited from charging different prices if the product or service might be paid for by an insurance company. While this prohibition does not apply to health care services rendered to Medicare and Medicaid patients or to medically indigent patients, there is no exception for uninsured patients who did not qualify as a medical indigent. Thus, hospitals, physicians, and other health care providers cannot legally discount their regular prices to uninsured patients.

Hospitals in Texas and across the country have been sued in class action lawsuits because the hospitals have charged uninsured patients their standard price for services. The dilemma for Texas hospitals and other providers is that Chapter 552 of the Insurance Code prevents the setting of lower prices for an uninsured patient unless the patient is medically indigent. There are a large number of working people in Texas who are uninsured, and may not qualify for a discount because they are not indigent. As proposed, S.B. 500 eliminates the application of this law to health care services to allow price discounts to uninsured patients.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 552.001, Insurance Code, as effective April 1, 2005, to delete text which provides that this chapter does not apply to the provision of a health care service to a Medicaid or Medicare patient or to a medically indigent individual who qualifies for a sliding fee scale.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2005.