

BILL ANALYSIS

Senate Research Center

C.S.S.B. 747
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State Affairs
3/25/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Section 55.002 of the Property Code allows a hospital or an emergency medical services provider to secure a lien against a patient for amounts owed as a result of services provided by the hospital or emergency services provider in connection with an injury resulting from an accident. The lien may be secured against monies received by the injured patient from a suit based on the accident in which the individual was injured. However, hospitals and emergency services providers are not required to give a patient notice of the lien, which can leave a patient without the opportunity to pay the outstanding amounts owed before a lien has been secured. This is especially problematic for the patient when the amounts owed are for charges not covered by the patient's insurer since the patient may not be aware of the existence of an outstanding balance and have an opportunity to pay the outstanding amount owed before a lien is secured against the patient.

C.S.S.B. 747 amends Section 55.005 of the Property Code to provide that, in order to secure a lien, a hospital or emergency medical services provider must give notice to an injured patient of its intention to file a lien. C.S.S.B. 747 requires a hospital or emergency medical services provider to file an affidavit affirming that the notice was given, and requires that the notice be sent by certified mail not later than the 10th day before the date the hospital or emergency medical services provider files a notice of the lien with the county clerk.

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 55.005, Property Code, by amending Subsections (a) and (b), and adding Subsections (d), (e), and (f), as follows:

- (a) Requires a hospital or emergency medical services provider, to secure a lien, to provide notice to the injured individual in accordance with Subsection (d) or (e), and file written notice of the lien with the county clerk of the county in which the services were provided before money is paid to an entitled person because of the injury. Makes a conforming change.
- (b) Requires that the notice filed under Subsection (a)(2) (relating to written notice filed with a county clerk) contain certain information, including the injured individual's name and last known address, and an affidavit by an agent of the hospital or emergency medical services provider that affirms that the notice to the injured individual was given in accordance with Subsection (d). Makes nonsubstantive changes.
- (d) Requires the hospital or emergency medical services provider, except as provided by Subsection (e), not later than the 10th day before the date a hospital or emergency medical services provider files a notice with the county clerk under Subsection (a)(2), to send a written notice to the injured individual by certified mail, return receipt requested, to the individual's last known address that states that a hospital lien is authorized to attach to any cause of action or claim the individual may have against another person for the individual's injuries for any unpaid charges for hospital services or emergency medical services provided in connection with the injuries and specifies to whom the charges may

be owed; and authorizes the hospital or emergency medical services provider to file a notice of a hospital lien with the county clerk of the county in which the services were provided, in accordance with Chapter 55 (Hospital and Emergency Medical Services Liens), Property Code.

(e) Provides that a hospital or emergency medical services provider is not required to provide notice by mail if the hospital or emergency medical services provider provides the notice required by Subsection (d) to the injured individual at the time of the individual's admission to the hospital or at the time emergency medical services are provided if the notice is provided in a written document separate from any other documents signed by or provided to the individual at the time of the individual's admission to the hospital or at the time the emergency medical services are provided; and the notice is signed by the injured individual or the injured individual's representative.

(f) Provides that the failure of an individual to receive a notice mailed in accordance with Subsection (d) does not affect the validity of a lien under this chapter.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.