

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 1037  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

“Surprise balance billing” most often occurs with out-of-network emergency services and health care services received at in-network hospitals from out-of-network physicians and other health care providers. Most individuals who have received unaffordable out-of-network bills did not know the provider was not in their plan’s network at the time they received care.

Out-of-network providers in Texas have no limits on amounts they can bill, and can “balance bill” insured consumers up to the full billed charges even after collecting the full amount covered by a preferred provider benefit (PPO) plan, including the consumer’s co-pay, coinsurance, and deductible amounts due under the plan.

Studies show that about one in five insured Americans has difficulty paying medical bills and nearly half say their medical bills have had a major impact on their families. Credit reports are kept on about 200 million United States consumers. They are the basis of credit scores and attempt to document a person's credit history and form the basis for lenders to decide whether to lend money and extend credit to consumers. Unpaid medical bills can reduce credit scores, costing consumers in higher interest rates.

S.B. 1037 takes important steps to protect consumers in situations of surprise balance billing. The bill prohibits a consumer credit reporting agency from furnishing a consumer report that includes information on a medical collection account when the consumer had health insurance at the time services were received and the collection relates to billing for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim.

As proposed, S.B. 1037 amends current law relating to limitations on the information reported by consumer reporting agencies.

### **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 20.05, Business & Commerce Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Prohibits a consumer reporting agency, except as provided by Subsection (b), from furnishing a consumer report containing information related to certain items, including a collection account with a medical industry code, if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim. Makes nonsubstantive changes.

(d) Defines "emergency care provider," "facility," "facility-based provider," and "health care practitioner" for purposes of this section.

SECTION 2. Effective date: upon passage or September 1, 2019.