

BILL ANALYSIS

Senate Research Center
87R16442 MWC-F

H.B. 2064
By: Leach (Hughes)
State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are concerns regarding the calculation of the amount of hospital and physician liens on a cause of action or claim of an individual who receives hospital services for injuries caused by an accident that is attributed to another person's negligence. Current law provides that such a lien is for the lesser of the amount of the hospital's charges for services provided to the injured individual during the first 100 days of the injured individual's hospitalization or 50 percent of all amounts recovered by the injured individual through a cause of action, judgment, or settlement. Since the current calculation method can result in lien amounts larger than the amount a jury would reasonably award the injured person, there have been calls to provide an alternative method for calculating the amount of the lien. H.B. 2064 seeks to address this issue by providing for such an alternative method.

H.B. 2064 amends the Property Code to revise the method for determining the amount of a hospital or physician lien on a cause of action or claim of an individual who receives hospital services for injuries caused by an accident that is attributed to another person's negligence and who is admitted to the hospital not later than 72 hours after that accident. The lien is the lesser of the following amounts:

- either of the applicable amounts prescribed by statute less the pro rata share of attorney's fees and expenses the injured individual incurred in pursuing the claim; or
- the amount awarded by the trier of fact for the services provided to the injured individual by the hospital less the pro rata share of attorney's fees and expenses the individual incurred in pursuing the claim.

H.B. 2064 amends current law relating to the amount of a hospital or physician lien on certain causes of action or claims.

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 55.004(b), Property Code, as follows:

(b) Provides that a hospital lien described by Section 55.002(a) (relating to providing that a hospital has a lien on a cause of action or claim of an individual who receives hospital services for injuries caused by an accident that is attributed to the negligence of another person) is for the lesser of:

- (1) the amount of the hospital's charges for services provided to the injured individual during the first 100 days of the injured individual's hospitalization less the pro rata share of attorney's fees and expenses the injured individual incurred in pursuing the claim;

(2) 50 percent of all amounts recovered by the injured individual through a cause of action, judgment, or settlement described by Section 55.003(a) (relating to providing that a lien attaches to a certain settlement) less the pro rata share of attorney's fees and expenses the injured individual incurred in pursuing the claim; or

(3) the amount awarded by the trier of fact for the services provided to the injured individual by the hospital less the pro rata share of attorney's fees and expenses the injured individual incurred in pursuing the claim.

Makes nonsubstantive changes.

SECTION 2. Makes application of the change in law made by this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2021.