

BILL ANALYSIS: HB 1314

Relating to price estimates and billing requirements for certain health care facilities

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Information asymmetry relating to price between providers and patients is an unfortunate feature of healthcare in the United States and Texas ([Mishra & Pandey, 2023](#)). Pricing information asymmetry, wherein patients have insufficient information about healthcare prices, may lead to patient confusion, dissatisfaction with service, or even the avoidance of care due to fears of unknown costs ([Waystar, 2019](#)). Notably, 62% of Texans reported forgoing healthcare due to anxieties about cost ([Healthcare Value Hub, 2024](#)).

While there is statutory and regulatory architecture in Texas and the United States that seeks to close the price knowledge gap between patients and providers, existing architecture is insufficient to ensure information symmetry, and hospital compliance in Texas has yet to be maximized ([Li et al., 2024](#); [Muhlstein & Pathak, 2024](#); [THA, 2022](#); [Texas 2036, n.d.](#)). As research indicates, several other elements are necessary to construct comprehensive statutory and regulatory architecture for healthcare price transparency that uniformly ensure that information is accessible and accurate ([Buttorff et al., 2021](#)).

One possible solution to further resolve provider-patient pricing information asymmetry is proposed by H.B. 1314, which would require that for any request by a patient for a price estimate—to which patients are entitled—final billed charges may not exceed five percent (5%) of the estimated amount unless excess charges relate to documented and reasonably unavoidable complications during a procedure or service or changes in diagnosis not discoverable prior to a procedure or service. Further, H.B. 1314 requires that facilities inform and explain to patients any difference exceeding 5% to the patient and prohibits facilities violating these rules from pursuing action against patients. Facilities violating these rules are subject to the discipline of their appropriate licensing agencies. Finally, this bill repeals Subchapter B of Chapter 324, Health and Safety Code.

These proposed modifications, in conjunction with existing price transparency rules, would incentivize patient shopping, promote competition between providers, further eliminate surprise costs, and ultimately aid patients in making informed healthcare decisions that conform to both their health and financial needs and conditions.

continued

SECTION-BY-SECTION ANALYSIS

SECTION 1.

Amends Section 324.001 of the Health and Safety Code by adding subdivision (5-a) to read as follows:

(5-a) Defines "estimate" as a written statement outlining a consumer's total expected billed charges for a nonemergency, elective medical service or procedure. *Substantive change: introduces new definition.*

SECTION 2.

Amends Section 324.101, Health and Safety Code by amending subsections (d) and (g) and adding Subsection (d-1) to read as follows:

(d) If a consumer presents a valid medical order for any elective inpatient admission or nonemergency outpatient surgical procedure or other service, then the patient is entitled to receive on request and before the scheduling of the admission, procedure, or service an estimate of the facility's charges. Imposes a directive upon the facility to provide estimate via email no later than 24 hours after receipt of request. Imposes necessary obligation upon facility to advise consumer that:

- (1) Requires that the facility must advise a consumer that any request for an estimate of billed charges may result in a delay in the scheduling and provision of inpatient admission, outpatient surgical procedure, or other service.
- (2) Requires that the facility must advise a consumer that actual charges for an inpatient admission, outpatient surgical procedure, or other service will necessarily vary based on the individual's medical condition and other factors associated with the performance of the procedure or service.
- (3) Requires that the facility must advise a consumer that the actual charges for an inpatient admission, outpatient surgical procedure, or other service may differ from the amount to be paid by the consumer.
- (4) Requires that the facility advise a consumer that the consumer may be personally liable for payment.
- (5) Requires that the facility advise a consumer that the consumer should contact the consumer's health benefit plan for accurate information regarding the plan's structure, benefit coverage, deductibles, copayments, coinsure, and other payment.

(d-1) Denies permission that a facility's final billed charges can exceed the amount specified in an estimate by more than 5% unless the additional charges are related to complications arising in the procedure or from a documented changed of diagnosis. Imposes non-obligatory directive upon provider that if charges exceed the estimate by more than 5%, the facility shall provide a written statement describing the following. *Substantive change: new text.*

- (1) Requires providers to explain the difference in the bill charged amount and the estimate amount.
- (2) Requires providers to explain the complications or change of diagnosis that resulted in the difference in the bill charged amount and the estimate amount.

(g) If a facility violates this section... *Non substantive change: verb tense. Substantive change: introduces (1) and (A)-(C).*

(1) ...then the facility is denied permission to:

- (A) Collect or take any collection against a consumer.
- (B) Report the consumer to a credit bureau.
- (C) Pursue an action against the consumer; and

(2) ...then the facility is subject to an enforcement action by the appropriate licensing agency. *Non substantive change: Modification of list numbering.*

SECTION 3.

Subchapter B, Chapter 324, Health and Safety Code is repealed.

SECTION 4.

Makes the Act prospective.

SECTION 5.

This Act takes effect September 1, 2025.

REFERENCES

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