

March 4, 2020

Greg Abbott
Office of the Governor
P.O. Box 12428
Austin, Texas 78711-2428

Ken Paxton
Office of the Attorney General
PO Box 12548
Austin, TX 78711-2548

Re: Concerns over price gouging in response to covid-19 (“coronavirus”).

Governor Abbott and Attorney General Paxton:

On behalf of our over 460 Texas member hospitals and health systems, the Texas Hospital Association (THA) writes to express concern over massively inflated prices for medical equipment and supplies.

Texans are undoubtedly concerned about coronavirus and any potential effect it may have on our great state. The situation is likely to worsen before improving, and as media coverage increases, so does the level of fear among the public. Over the past weeks, this increased concern correlates with increased prices for supplies and equipment required to provide safe, effective health care in Texas hospitals. THA has anecdotal evidence of hospitals forced to consider purchasing basic masks at more than 1,000% above normal cost, with similar masks appearing on online marketplaces (such as eBay) with asking prices of \$50 per mask.

You are aware that Texas prohibits price gouging under Texas Business and Commerce Code Sec. 17.46. While neither the Governor nor the President have declared a disaster related to coronavirus, Texas Business and Commerce Code Sec. 17.4625(a)(1)(A) may permit these protections to take effect prior to such formal declaration.

We ask you to keep this issue top of mind over the coming weeks, and consider taking action as necessary, as Texas hospitals continue to stand on the front lines and combat coronavirus to the best of their abilities. Ensuring that all Texas hospitals can obtain all necessary supplies and equipment is paramount in maintaining a strong defense against any epidemic, whether it be the common flu or novel disease such as Ebola and coronavirus. THA is reaching out to its membership to request evidence of increased pricing as such instances occur. We will forward any

evidence collected to your offices and hope you will do everything you can to maintain proper supply levels and pricing for Texas hospitals and medical providers.

On behalf of Texas hospitals and the public they serve, thank you for your time and attention. Please let us know how THA can help ensure fair pricing, adequate supplies and continue to provide strong, steadfast health care on the frontlines of this serious outbreak.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Lopez', with a stylized flourish at the end.

Cesar J. Lopez
Associate General Counsel
(512) 465-1000