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Texas Legislature Passes Balance Billing Mediation Expansion

SB 507 protects patients, gives more Texans the chance to fight surprise medical bills

AUSTIN - The Texas Legislature has passed Senate Bill 507 by Senator Kelly Hancock (R-North Richland Hills) to give more Texans recourse when they receive unexpected medical bills.

"No Texan looks forward to visiting a surgical center or emergency room," said Senator Hancock, "but when that happens, hidden charges and surprise bills should be the last thing on their mind."

Balance billing is common practice in the healthcare system. It occurs when patients are directly billed by a provider for the portion of medical expenses not covered by their insurance. Often times these bills are a shock to the patient. For instance, patients admitted to an "in-network" facility may unknowingly receive treatment from an "out-of-network" doctor and wind up with a hefty bill.

In 2009, Sen. Hancock passed legislation establishing a Texas Department of Insurance (TDI) mediation system for consumers caught in this type of balance billing nightmare. Mediation is working for consumers when it is available. Mediation proceedings have saved patients millions and virtually all claims are settled.

SB 507 expands the TDI mediation system to include all types of out-of-network providers treating patients at in-network hospitals and other facilities, including freestanding emergency departments. It also allows mediation for emergent care balance bills over \$500 at any healthcare facility, whether in or out of network.

Public school teachers and retirees will be glad to hear the legislation expands mediation protections to more than 250,000 Texans enrolled in the Teacher Retirement System health plan (TRS-Care) and 430,000 enrolled in the self-funded TRS-ActiveCare program.

Perhaps one of the most useful components of this legislation to the average patient is the disclosure requirement. Health care providers and other facilities must include the following statement on eligible balance bills: *"You may be able to reduce some of your out-of-pocket costs for an out-of-network medical or health care claim that is eligible for mediation by contacting the Texas Department of Insurance..."*

Sen. Hancock's legislation has support from the Texas Association of Health Plans, the Texas Medical Association and AARP, among other consumer protection organizations. To read the bill, visit: www.legis.texas.gov.

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Sen. Hancock represents [District 9](#), which includes portions of Dallas and Tarrant Counties. He currently serves as Chairman of the Texas Senate Committee on Business & Commerce.