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News Alert: Hancock Balance Billing Legislation Takes Effect

Measure protects patients, reduces emergency balance billing mediation threshold

AUSTIN - Senate Bill 481, a balance billing mediation measure authored by Sen. Kelly Hancock (R-North Richland Hills), passed the Texas Legislature earlier this year and takes full effect today.

"All too often, balance billing leaves patients with medical bill sticker shock," said Senator Hancock. "During a stressful life event like an emergency room visit or surgical procedure, patients shouldn't have to worry about surprise, bank-breaking bills. This law lowers the mediation threshold and gives more Texans recourse."

Balance billing is common practice in the healthcare system. It occurs when physicians bill patients for the portion of medical expenses not covered by the patient's insurance. Most commonly, this takes place when a facility-based physician is not contracted with the same health insurance plans as the facility in which they practice. So, patients admitted to an "in-network" facility may be treated by an "out-of-network" doctor and wind up responsible for a hefty, unexpected bill.

In 2009, Hancock successfully passed legislation establishing a path to resolution for consumers caught in this balance billing nightmare. Mediation works well for consumers when it is available. In the past year, mediation saved Texas patients millions and virtually all disputed claims were settled.

S.B. 481 improves the mediation process by reducing the threshold for claims eligible for mediation from \$1,000 to \$500. That change would benefit patients like Mike Fryar of Grapevine. In 2014, Fryar underwent an emergency appendectomy at a hospital covered by his health insurance plan but was still billed \$947 by an out-of-network doctor assigned to his case.

"I ended up paying the entire amount to a doctor who did not see me in person," said Fryar. "My images were sent to his office for consultation without my knowledge[...] so I owed the debt."

Hancock's legislation received support from the Texas Association of Business, the Texas Association of Health Plans, and organizations representing millions of consumers.

To file a balance billing complaint or learn if you are eligible for mediation, visit the Texas Department of Insurance's online [Consumer Guide to Health Care Billing](#).

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Senator Hancock represents [Senate District 9](#), which includes portions of Dallas and Tarrant Counties.