



FOR IMMEDIATE RELEASE  
Feb. 9, 2018

CONTACT: CAITY JACKSON  
(512) 463-0109

## **Balance Billing Mediation Expansion Takes Effect, Saves Consumers Hundreds of Thousands in January 2018**

*New law protects patients, gives more Texans the chance to fight surprise medical bills*

**AUSTIN** - Data released this week by the Texas Department of Insurance (TDI) showed balance billing mediation consumer savings of \$650,000 in the month of January 2018 alone.

Last year, the Texas Legislature passed Senate Bill 507 by Senator Kelly Hancock (R-North Richland Hills) to give more Texans recourse when they receive unexpected medical bills. The legislation took effect on January 1, 2018 and is already seeing big returns for health care consumers.

"We built the balance billing mediation program because no Texan should have to worry about hidden charges and surprise bills when they're dealing with a medical emergency," said Senator Hancock. "The program was expanded last legislative session to provide help in more situations, and we're glad to see it being put to good use."

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 surprise medical billing nightmare. Mediation is working for consumers when it is available. Mediation proceedings have saved patients millions, including more than \$6 million in FY 2017 alone, and virtually all claims are settled.

SB 507, 85(R) expanded 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.

The expansion also extended 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 and requires health care providers and other facilities to include a mediation availability disclosure statement on eligible balance bills.

###

*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.*