



FOR IMMEDIATE RELEASE · April 16, 2019
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Texas Senate Passes Landmark Surprise Medical Billing Legislation

SB 1264 by Hancock takes patients out of provider, insurance company billing disputes

AUSTIN - The Texas Senate today passed SB 1264 by Sen. Kelly Hancock (R-North Richland Hills), bipartisan legislation that prevents surprise medical billing of consumers in Texas who have state-regulated plans. SB 1264 allows medical providers to enter arbitration for payment negotiations with health insurance companies and prohibits them from sending surprise balance bills to consumers.

"I've been fighting a confusing medical billing system with Texas patients for a decade now," said Sen. Hancock. "Today's vote means we're one big step closer to ending surprise billing for good. With healthcare costs skyrocketing, this relief can't come soon enough for Texas consumers."

Hancock first established a surprise medical bill mediation program in 2009 after the issue was brought to his attention by a constituent. HB 2256 (81st Legislature) created a process through the Texas Department of Insurance (TDI) for patients to dispute surprise charges greater than \$1,000 from certain out-of-network providers working at in-network facilities.

He later passed SB 481 (84th Legislature) and SB 507 (85th Legislature) to exponentially expand the program's availability and coverage. According to TDI, surprise bill mediation has saved Texas patients nearly \$36 million in out-of-pocket healthcare costs since 2015, when the agency began tracking this data.

SB 1264 removes patients from these disputes between insurance companies and providers altogether. It establishes an arbitration process to eliminate the need for patient-triggered mediation and provides state regulatory authority over that arbitration. Key to the legislation, it prohibits surprise billing of consumers in situations where the patients have no choice which provider they see or which facility they visit. This includes medical emergencies, non-network care at in-network hospitals, and out-of-network lab and imaging work.

"Consumers deserve to be held harmless from the anguish and shock of surprise medical bills that they encounter from billing disputes between insurers and medical providers," said AARP Texas Director Bob Jackson. "Senate Bill 1264 by Senator Hancock is truly landmark legislation that, if approved by the Legislature and signed into law, would be welcomed relief for Texans."

In an effort to assist all consumers regardless of insurance plan, Hancock today also passed SB 1530 through the Senate, a companion bill which allows federally-regulated, self-funded health benefit plans to opt into the existing TDI surprise billing mediation program. These plans make up at least 40 percent of the Texas health insurance market.

Both SB 1264 and SB 1530 now move to the Texas House of Representatives. To read the full text of the legislation or follow its continued progress, visit Texas Legislature Online at <https://capitol.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 and Vice Chair of the Texas Senate Committee on Transportation.