



Protect Consumers from Surprise Billing

TAHP Supports CSSB 1566

Surprise Billing: A Texas-Sized Problem

Mediation is limited but working in Texas and should be expanded to all emergency care.

TAHP members support protecting patients from excessive and surprise billing for emergency care. Expanding the use of mediation to all emergency care providers and facilities will strengthen protections that allow consumers to challenge surprise medical bills.

CSSB 1566

- Extends the current mediation process to all emergency providers, including facilities, and to all out-of-network providers working at a network facility to protect consumers from balance billing.
- Adds mediation notification language to the Explanation of Benefits (EOBs) sent by the insurers.
- Includes medical supplies in addition to medical services as subject to a mediation claim.
- Adds language that encourages providers or insurers to inform consumers about the possible option for mediation and encouraging them to provide TDI's toll-free number and website to the enrollee.
- Changes the notification language on the balance bills and EOBs to say, "You may be able to reduce some of your out-of-pocket costs for an out-of-network medical or health care cost that is eligible for mediation by contacting the Texas Department of Insurance at (phone number) and (website)."
- Expands mediation protections to enrollees in the self-funded TRSActiveCare program.



Every Two Years
250,000
Texas Patients Get Surprise Medical Bills

Source: Center for Public Policy Priorities, February 2017

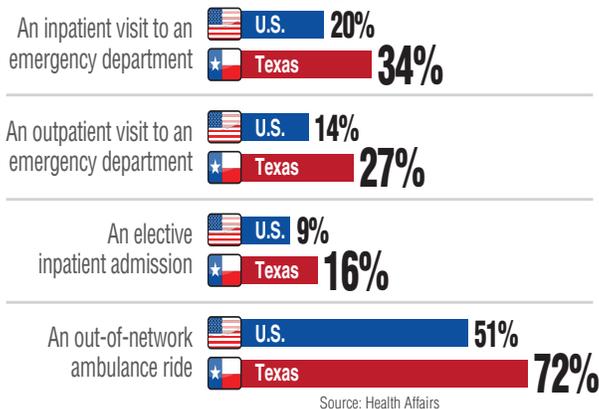
Surprise Billing: A Texas-Sized Problem

Texas is Ground Zero for High ER Bills, Surprise Bills and Out-of-Network ER Care:

- Some of the highest rates of out-of-network ER physicians: **50%** of ER physician claims are out of network
- Some of the highest rates of surprise billing in the U.S. – McAllen, TX has seen **89%** surprise billing rates
- Some of the highest emergency care costs: Texas ER spending by a major health plan is **67%** more expensive than the rest of the nation
- The average ER facility charge in Texas is **36%** higher than the rest of the country
- Double digit growth in ER costs per year (over **12%**)
- Texans use emergency departments **22%** more than the rest of the country

In 2014, Nearly 1 in 5 Inpatient Admissions to an ER Resulted in a Surprise Bill. The Texas Frequency is Much Higher!

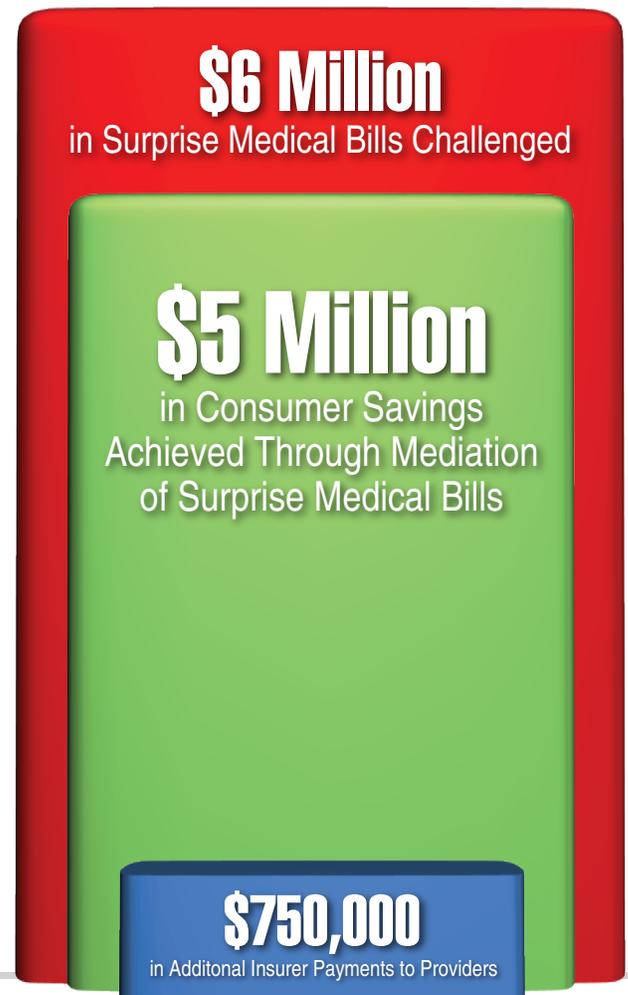
The likelihood of receiving a surprise bill from an ER visit:



Nationwide, about 1 in 5 inpatient admissions to an emergency department led to a surprise bill in 2014 and roughly 5% were because an ambulance took the patient to an out-of-network hospital. The frequency in Texas was MUCH HIGHER than the national average.

Mediation is Working to Protect Texans from Surprise Billing

Texans Have Challenged \$6 Million in Surprise Medical Bills Since 2015



Note: A "balance bill" is the second bill a consumer receives from an out-of-network provider. These often come as a surprise to the consumer who has already paid the coinsurance and copay. Since 2015, consumers have challenged \$6M in surprise medical bills through mediation. Through this process, consumers saved more than \$5M in expensive surprise medical bills, and insurers were required to pay an additional \$750K to providers, which is only 12.5 percent of the total amount of surprise bills that consumers challenged. Mediation is working, but is limited. Under current law, there is no mediation protection for freestanding ERs. Mediation needs to be expanded to all emergency care including FSERs.