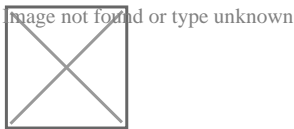




New Law Protects Texas Consumers from Having Credit Damaged by Surprise Medical Bills

Description



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AUSTIN—Consumer credit reporting agencies are now prohibited from including medical debt collection accounts in consumer reports thanks to Senate Bill 1037 by Sen. Larry Taylor, R-Friendswood, and Rep. Eddie Lucio III, D-Brownsville, which was signed Friday by Gov. Greg Abbott. The law takes effect immediately and represents a major step in protecting consumers from the long-lasting damage that can result from surprise billing in Texas, where patients are at an uncommonly high risk of receiving expensive surprise bills.

The law requires the exclusion of medical debt from a patient's credit report in limited circumstances: if the patient had health coverage at the time of the health care service and if the collection account is related to billing for an outstanding balance—not including a copayment, deductible or

coinsurance—owed to an out-of-network emergency care or out-of-network facility-based provider.

“We have seen the same stories over and over again. Texans keep getting outrageous surprise bills for thousands or tens of thousands of dollars, putting them into medical debt they don’t deserve,” said Texas Association of Health Plans CEO and registered nurse Jamie Dudensing. “Texas patients should never be financially penalized when they receive care from an out-of-network doctor or hospital they did not choose, especially in an emergency. Thanks to this new law, patients’ personal credit will no longer be negatively impacted by surprise medical bills in Texas.”

The new law applies to out-of-network emergency care and facility-based services. In Texas, it is nearly impossible for patients to stay in-network during an emergency, even when they go to an in-network hospital. In fact, more than 65% of all out-of-network ER doctor claims in Texas are for services provided at a network hospital, and 300 of Texas’ 407 hospitals have no in-network ER doctors for the three major health plans.

Resources:

- To view TAHP’s one-pager on surprise billing in Texas, [click here](#).
- To view TAHP’s findings from its out-of-network claims survey, [click here](#).

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The Texas Association of Health Plans

The Texas Association of Health Plans (TAHP) is the statewide trade association representing private health insurers, health maintenance organizations, and other related health care entities operating in Texas. Our members provide health and supplemental benefits to Texans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. TAHP advocates for public and private health care solutions that improve the affordability, access and accountability of health care for many Texans. As the voice for health plans

in Texas, TAHP strives to increase public awareness about our members' services, health care delivery benefits and contributions to communities across Texas.

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