

**Texas Department of Insurance (TDI)**  
**Senate Business and Commerce Committee Hearing**  
**January 23, 2018**

**Interim Charge**

*Monitor the implementation of legislation addressed by the Senate Committee on Business and Commerce during the 85th Legislature, Regular Session, including: the settlement of out-of-network health benefit claims involving balance billing and patient's explanation of benefits statements; and make recommendations regarding any additional legislation needed to improve, enhance, and/or complete implementation.*

## **Mediation**

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Mediation, found in Chapter 1467 of the Insurance Code, mitigates the impact of balance billing by creating a process to resolve payment disputes. With SB 507, mandatory mediation has been extended to now cover commercial PPO and non-HMO state and public school employees in circumstances where services are rendered by an out-of-network facility-based provider in an in-network facility or where the claim is for emergency services at any facility.

- SB 507 is effective for services or supplies provided on or after January 1, 2018.
- Mediation is initiated on consumer request, and both the insurer and provider must participate.
- TDI began accepting mediation requests in 2010 and has seen a gradual increase over time as more consumers and providers become aware of the program and as the scope of the statute has expanded.
- Most mediation requests are settled informally and do not proceed to actual mediation.
- Since 2010, a total of twelve requests have gone to actual mediation. No requests have gone through the entire process all the way to a trial before a special judge.

**Mediation Requests Summary  
as of January 8, 2017**

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018 YTD</b>
Total Number Received*	0	17	17	13	43	686	977	1,504	2,064	814
Mediation Billed Amount**							\$242,234.35	\$4,228,521.02	\$7,109,670.07	\$2,393,037.10
Mediation Paid Amount***							\$49,324.50	\$713,952.43	\$1,101,827.19	\$180,254.55
Total Settled via Teleconference					42	597	879	1,396	1,926	392
Requests pending outcome of Teleconference****									14	405
Total Referred to SOAH	0	0	0	0	1	89	98	108	124	17
Number Received - \$1,000 and over								1,150	1,501	521
Number Received - \$500-\$999*****								268	319	141
Number Received - \$499 amount or below								27	17	8
Number Received - Did not qualify*****								59	227	144
Total Number Received								1,504	2,064	814

\*Includes requests received and resolved during the time period.

\*\*The amount entered on the Mediation Request form submitted to TDI.

\*\*\*The amount paid by the carrier to the provider as a result of the informal settlement telephone conference.

\*\*\*\*Mediation requests are in a pending status while TDI awaits confirmation the teleconference was completed.

\*\*\*\*\*The mediation request threshold changed to \$500 on 9/1/2015.

\*\*\*\*\*These mediation requests did not qualify because 1) they involved a self-funded or other type of health plan that is not eligible for this program or 2) the requester did not provide sufficient information.