

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

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**

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD
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.