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Texas Senate Bill 490: An Overview and Best Practices for Success



Meet the Presenters



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Agenda

- Review requirements of TX SB 490
- Who does TX SB 490 apply to
- Identify how to comply with requirements
- Review patient statement sample
- Patient Access patient liability best practices
- Additional questions

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Texas SB 490 Overview

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- 185.002(e) – Providers May Not Pursue Debt Collection Unless Compliant
- 185.003 – Disciplinary Action by Licensing Authority

Health Care Provider Defined

“...a facility licensed, certified, or otherwise authorized to provide health care services or supplies in this state in the ordinary course of business, including a hospital, except the term does not include a federally-qualified health center...”

Included Facilities

- Hospitals
- ASCs
- Birthing Centers
- Dependency Treatment Facilities
- Crisis Stabilization Units
- ESRD Facilities
- Freestanding Emergency Centers
- Other Facilities Licensed by State

Excluded Facilities

- Individual physicians
- Physician Groups Contracting with Facilities
- FQHCs
- Off-Campus HOPDs?
- RHCs?

Effective Date September 1, 2023

Itemized Bill and Timing – 185.002(a)

“A health care provider that requests payment from a patient after providing a health care service or related supply to the patient shall submit with the request a written, itemized bill of the alleged cost of each service and supply provided to the patient during the patient’s visit to the provider. The provider must submit the itemized bill not later than the 30th day after the provider receives a final payment on the provided service or supply from a third party.”

- Point of View
 - 9/1/2023 effective date = date of service 9/1/2023 and beyond
 - Point of Service collections are not excluded

Itemized Bill Requirements – 185.002(b)

■ Requirements:

1. Plain language description of each service or supply
2. Any billing code submitted to a third party
3. Amount billed, adjusted, and paid by 3rd party payer
4. Amount the provider alleges is due from the patient for each service and supply

■ Implementation:

- Include both CPT codes and plain language descriptions
- Items open for interpretation:
 - “Roll up” patient payments or show all individual payments
 - Show payments and adjustments by service/supply or as a whole

Itemized Bill Example

Statement Number	Guarantor Name	Statement Date	Due Date
[REDACTED]	[REDACTED]	08/28/2023	09/18/2023

Date	Service Description	Charges	Payments/ Adjustments	Patient Balance
	Date of Service (12/10/22 - 12/11/22) <i>Encounter #:</i> [REDACTED] <i>Provider:</i> [REDACTED]			
12/10/2022	73130 - RADIOLOGIC EXAMINATION, HAND; MINIMUM OF 3 VIEWS	\$135.00		
12/10/2022	72220 - RADIOLOGIC EXAMINATION, SACRUM AND COCCYX, MINIMUM OF 2 VIEWS	\$175.30		
12/10/2022	73110 - RADIOLOGIC EXAMINATION, WRIST; COMPLETE, MINIMUM OF 3 VIEWS	\$133.00		
12/10/2022	96372 - THERAPEUTIC, PROPHYLACTIC, OR DIAGNOSTIC INJECTION (SPECIFY SUBSTANCE OR DRUG); SUBCUTANEOUS OR INTRAMUSCULAR	\$85.00		
12/10/2022	99284 - EMERGENCY DEPARTMENT VISIT FOR THE EVALUATION AND MANAGEMENT OF A PATIENT, WHICH REQUIRES THESE 3 KEY COMPONENTS: A DETAILED HISTORY; A DETAILED EXAMINATION; AND MEDICAL DECISION MAKING OF MODERATE C	\$717.75		
12/10/2022	J1885 - KETOROLAC 30 MG/ML SOL [COGD]	\$7.00		
03/06/2023	PATIENT PAYMENT - THANK YOU!		-\$50.00	
05/15/2023	PATIENT PAYMENT - THANK YOU!		-\$40.95	
12/22/2022	CONTRACTUAL ALLOWANCE ADJUSTMENT		-\$324.28	
	VISIT TOTAL			\$837.82

Itemized Bill Issuance – 185.002(c)

“A health care provider may issue the itemized bill electronically, including through a patient portal on the provider’s Internet website.”

Patient Interaction

- Portal utilization by patients?
- Patients notified when documents uploaded to portal?

Process/Technology

- System reporting available to comply with 185.002(b)?
- Ability to generate automated or manual reports within 30 days?
 - May be cost effective option if statements don’t have to be redesigned

Itemized Bill Issuance – 185.002(d)

“A patient is entitled to obtain from the health care provider an itemized bill on request at any time after the itemized bill is initially issued under Subsection (a).”

- Point of View
 - Recommend creation of standardized report to provide information upon request
 - Document date of patient request and date information was uploaded or sent
 - Retain proof of mailing if patient portal is not an option

Debt Collection – 185.002(e)

“A health care provider may not pursue debt collection against a patient for a provided health care service or supply unless the provider has complied with this section.”

- Point of View
 - Provider may still seek Point of Service (POS) payments from patients
 - Interpretation of debt collection activities
 - Conservative approach – must be compliant to send statements and attempt to collect
 - Alternative approach – continue to send statements but no 3rd party debt collection
 - Documentation should be retained if pursuing debt collection
 - Copy of itemized bill/statement(s) sent to patient
 - Date itemized bill/statement(s) uploaded to portal or mailed
 - Proof of mailing if portal not utilized

Penalties for Noncompliance – 185.003

“The appropriate licensing authority shall take disciplinary action against the provider for the violation as if the provider violated an applicable licensing law.”

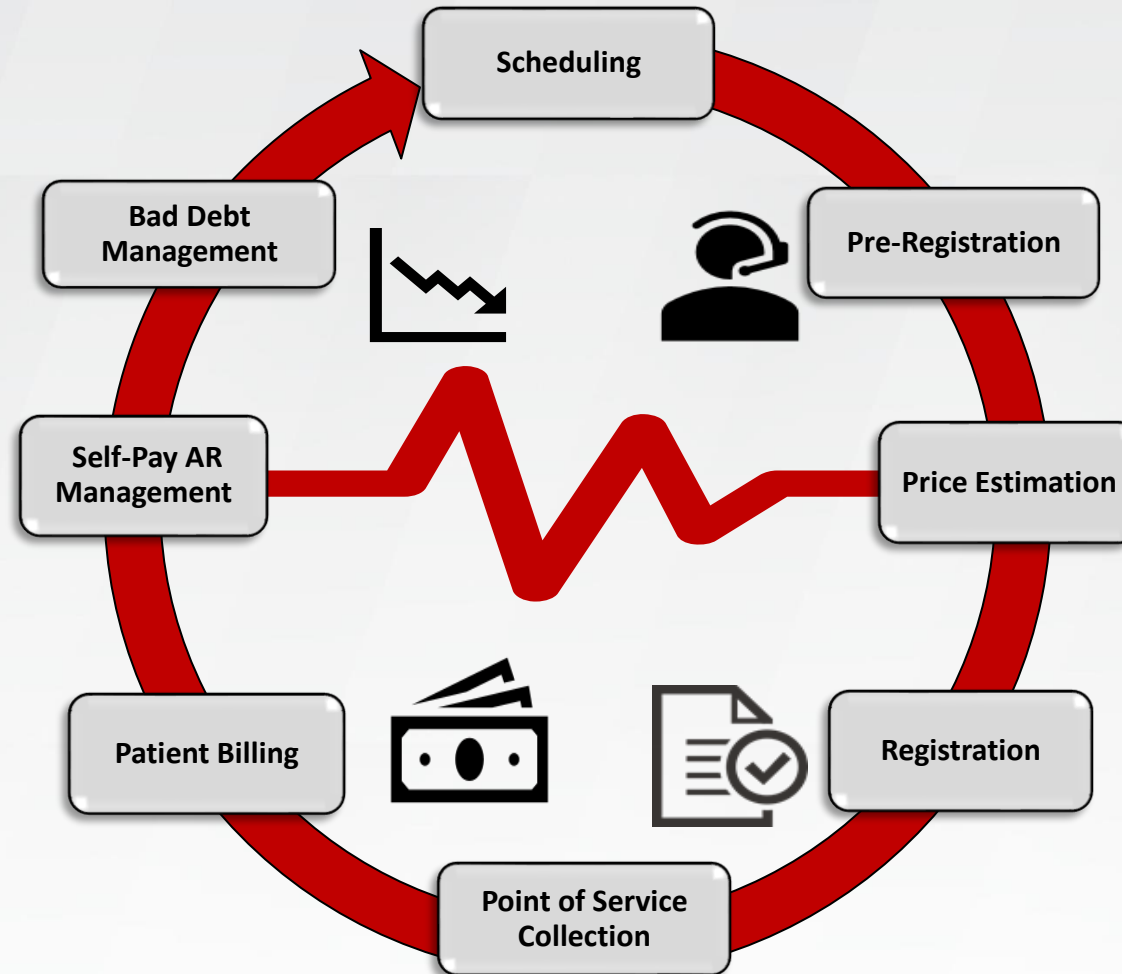
- Point of View
 - Legislation relatively unclear
 - HHSC intends to investigate any complaints made on or after September 1, 2023
 - HHSC guidance letter indicates agency intends to propose additional rules in coming months

Patient Access Patient Liability Best Practices

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Patient Liability Strategy: Pre-service and Post-service



Post-Service Patient Engagement:
Includes key points along the Patient Liability continuum after a service is rendered that support the resolution and clearing of balances owed by patients who received health care services.

Pre-Service Financial Clearance:
Includes key points along the Patient Liability continuum before a service is rendered that support the financial clearance of patients seeking health care services.

Price Estimation & Patient Liability Discussion



Price Estimation	
Patient Estimate Accuracy	Creation of accurate patient estimates that represent combined professional and facility/technical estimated out of pocket liability through integration of CDM, claims data, managed care contracts and electronic eligibility.
Targeted Estimates for Services Triggering Deductible/Co-Insurance	Deployment of targeted estimates for services triggering a deductible/co-insurance to ensure price transparency for patients and manage the collection risk exposure these liabilities present the organization.
Pre-Care Deposit Strategy	Application of strategic pre-care deposit strategy which identifies minimum pre-care payments expected as either a flat rate or as a percentage of estimated patient liability depending on patient financial class (insured or uninsured).
Price Transparency	Best-in-class patient financial experience is dependent on pre-service price transparency and communication of expected liabilities to better inform the patient and provider of associated collection risk.

References

- Texas Senate Bill 490
 - <https://capitol.texas.gov/tlodocs/88R/billtext/pdf/SB00490F.pdf>
- Texas Hospital Association SB 490 FAQs
 - <https://www.tha.org/wp-content/uploads/2023/08/FAQ-on-Itemized-Billing-083123-FINAL.pdf>
- Texas Health and Human Services Guidance Letter
 - <https://www.hhs.texas.gov/sites/default/files/documents/gl23-2002.pdf>

Questions?

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