



House Bill 3218

Testimony Before the Texas House Public Health Committee

*Relating to price estimates and billing requirements for
certain health care facilities*

My name is David Balat, director of the Right on Healthcare initiative with the Texas Public Policy Foundation, and I am in support of HB 3218. I am a former hospital executive and CEO of nearly 20 years and rely on my experience and expertise in this matter.

HB 3218 builds upon existing law, both at the state and federal level.

SB 1731 from the 80th Legislature in 2007 states:

“The facility shall provide an estimate of the facility’s charges for any elective inpatient admission or nonemergency outpatient surgical procedure or other service on request and before the scheduling of the admission or procedure or service.”

The Good Faith Estimate found in the No-Surprises Act requires facilities and other providers to provide estimates to uninsured (or self-pay) individuals in connection with items or services scheduled, or upon the request of the uninsured individual.

The bill being discussed today is simply an update on the good work of the 80th Legislature. It modernizes and improves upon the existing language to get it up to date and serve patients and employers better.

What does the HB 3218 do to empower patients?

- A patient with a valid order must request the estimate. Nothing else happens if this is not done.
- The facility must provide an estimate within 24 hours of request (preferably by electronic format).
- If there is no change of diagnosis or complication documented in the record, the final bill shall not be more than 5% of the received estimate.

What does HB 3218 do to give patients peace of mind?

If the estimate is requested but not given by the facility, the patient

- Shall not be responsible for their patient portion.
- Shall not be sent to collections.
- Shall not be reported to the credit bureau.
- Shall not be litigated against.

It was said all along that price transparency from last session was the first step; I believe this is the second step so long as the estimates are reflective of the negotiated amounts or the cash prices.

Hospitals that are complying with the law to post their prices have amounts that correspond to their respective codes. Hospitals have varying ways of coding and so the methodology employed by one hospital to bill for a service may be different than the methodology of another. This bill seeks to have prices for tests and procedures bundled so there is an expectation in advance for the patient or employer.

David Balat is the director of the Right on Healthcare initiative at the Foundation. He has broad experience across the healthcare spectrum with special expertise in healthcare finance. He is a former congressional candidate in Texas' 2nd Congressional District and a seasoned hospital executive with almost 20 years of healthcare industry leadership and executive management experience.

Balat has earned the privilege of being invited to testify before the U.S. House Committee on Oversight and Reform in Washington, D.C., and before various House committees in the Texas state Legislature. He is a published author and op-ed columnist in *Newsweek*, *U.S. News & World Report*, *Real Clear Politics*, and other news outlets. He is also an active speaker and commentator on matters of health policy.

