

BILL ANALYSIS: HB 216/SB 1270

Relating to itemized billing for health care services and supplies provided by health care providers

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The billing experience in healthcare, which is marked by information asymmetry between providers and patients, is a frequent source of frustration and service dissatisfaction for patients (Meyer, 2023). Patients may experience delays in billing, unclear communication of billing-related information, and uncertainty about responsibility for charges, which may suggest poor hospital accountability (AKASA, 2022; Rumalla et al., 2023). Further, nearly 40% of Americans indicate that they are confused by the billing process, 29% indicate they are unsure as to what they are billed for, and a total of 76% of respondents affirmed that one of six survey options for improvements to billing were desirable, while 24% indicated an unlisted solution may improve the billing experience (AKASA, 2022; Sanborn, 2018). The contemporary billing experience is thus not only a source of frustration for patients, but also a potential source for a decrease in individual and public trust in healthcare services and therefore may compact extant individual avoidance of healthcare due to anxieties about costs (Matthews & Makary, 2020; Healthcare Value Hub, 2024; Rhee et al., 2024).

To make the billing experience smoother and more patient-friendly, HB 216 & SB 1270 seeks to allow health care providers to issue itemized bills electronically via an online patient portal and to require that if a provider issues bills electronically, patients have access to the online patient portal. Further, if patients lack access to a patient portal, then providers must mail a copy of an itemized bill to a patient. Finally, the bill requires the appropriate licensing authority to take disciplinary action against a health care provider violating the chapter as if the provider violated licensing law.

By identifying another means by which patients can receive billing information to which they are entitled, HB 216 & SB 1270 (building upon HB 490 (88R)) will not only help resolve price information asymmetry, but improve individual and public trust in healthcare providers, relax patient anxiety about costs, and ultimately help construct more comprehensive price transparency architecture in Texas.

No entity is delegated novel rulemaking authority by this bill.

SECTION-BY-SECTION ANALYSIS

SECTION 1.

Amends 185.002 of the Health and Safety Code by amending Subsection (c) and adding Subsection (c-1).

(c) Grants providers permission to provide itemized bills via an online patient portal on the provider's website, except as provided by (c-1). *Substantive change: "Except" clause introduced.*

continued

(c-1) For a provider that issues a patient an itemized bill via a patient portal, requires the following necessary obligations of the provider. *Substantive change: Introduces requirements of providers that issue a patient an itemized bill.*

- (1) Requires those providers identified in (c-1) to determine whether a patient has a patient profile on the relevant patient portal.
- (2) Requires those providers identified in (c-1) that determine that a patient has not created a patient portal to mail a copy of the itemized bill to the patient. (If an itemized bill is not to be mailed to a patient, then those providers identified in (c-1) have determined that the patient has an online portal).

SECTION 2.

Amends 185.003 of the Health and Safety Code.

Under Sec. 185.003, "DISCIPLINARY ACTION BY LICENSING AUTHORITY," the bill requires that the appropriate licensing authority take disciplinary action against a healthcare provider that violates the chapter in a manner as if the provider violated applicable licensing law. *Substantive change: Specifies violation of this chapter may entail penalties.*

SECTION 3.

Makes the Act prospective.

SECTION 4.

If passed, the Act takes effect September 1, 2025.

REFERENCES

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