



## Texas Law Expands Protections for Medical Account Mediation

New protections apply to certain healthcare claims incurred on or after Jan. 1, 2018.

By Kim Rath

The New Year rings in new protections for certain medical claims. Last year, Texas Governor Greg Abbott signed legislation to expand the existing law dealing with balance billing, which occurs when patients are directly billed by a provider for the portion of medical expenses not covered by their insurance. This can happen when insured patients receive out-of-network care, often in an emergency care situation or when a patient is admitted to an in-network facility, but receives treatment from an out-of-network provider.

Texas developed a mediation system back in 2009 to assist consumers in resolving certain balance bills and made improvements to the system in 2015, and most recently again in 2017.

The most recent legislation, which applies to claims incurred after Jan. 1, 2018, broadens the types of accounts that are eligible for mediation protections already used by insured consumers in Texas on a limited basis. The newest law expands access to mediation eligibility to all out-of-network providers treating patients at in-network hospitals and other facilities.

Before the latest revisions, the existing law made mediation available to consumers who were balance billed by only six types of facility-based



providers: radiologists, anesthesiologists, pathologists, emergency department physicians, neonatologists and assistant surgeons. The law also provides for mediation of balance bills for emergency care from any provider or facility of emergency services care, including free-standing emergency rooms.

In an effort to bolster awareness of the mediation program, the new law also institutes a new disclosure requirement to inform consumers of their mediation rights. Healthcare providers and other facilities must include a statement substantially similar to the following: “You may be able to reduce some of your out-of-pocket costs for an out-of-network medical or health care claim that is eligible for mediation by contacting

the Texas Department of Insurance at [website] and [phone number]” on bills that are eligible for mediation. The disclosure must be in at least 10-point boldface type.

Healthcare and emergency services providers should make sure they are familiar with the new balance billing requirements that apply to certain healthcare claims incurred on or after Jan. 1, 2018, and determine how they will impact current billing practices.

Please note that the above-referenced legislation, S.B. 507, became law on Sept. 1, 2017, and applies to healthcare claims incurred after Jan. 1, 2018.

*Kim Rath is ACA International's director of compliance.*

## SURVEY:

# Technology, Price Transparency are Critical to Meeting Patient Demands

Patients want more options when it comes to healthcare financing, engagement with providers and price transparency, according to results from the Black Book™ 2017 Revenue Cycle Management surveys.

The surveys are the result of a research study “designed to trend consumer satisfaction and patient experiences, as well as uncover payment challenges and strategies for provider organizations,” according to a news release.

Black Book™ polled both patients and providers in the second and third quarter 2017 with consumer surveys designed to determine how patient responsibility for medical bills, which has increasingly shifted from employers to patients, is impacting providers’ revenue cycles. The surveys included 2,698 healthcare providers and 850 consumers with high deductible health insurance plans.

Eighty-three percent of providers surveyed plan to address the increase in “patient consumerism” by offering more “retail-like technology solutions and practices.”

“Emerging healthcare pay trends reveal the opportunity to help patients better anticipate, manage and track the costs of their care,” Doug Brown, managing partner of Black Book™ said in the news release. “Innovative patient-friendly payment solutions that meet

consumer preferences and enable fast transactions are playing a key role in this transition.”

Since 2015, according to Black Book’s™ findings, patients experienced a 29.4 percent jump in their deductibles

bills were paid online and 95 percent of those surveyed said they would use that option if available from their healthcare provider, according to the news release.

“Employing these solutions at the front end of the revenue cycle has given patient

## “Patients truly are the new payers.”

– Doug Brown, managing partner of Black Book™

and out-of-pocket costs. The average deductible for consumers in 2017 was \$1,820 and out-of-pocket costs increased to more than \$4,400.

With consumers’ increased costs and rising unpaid medical bills, healthcare providers are turning to new strategies and technologies to recover those funds.

“Survey findings from 1,595 physician practices, 202 hospitals and 49 health systems reveal profit margins continue to be impacted negatively by traditional collection solutions, steering 82 percent of medical providers and 92 percent of hospitals to jettison time-intensive, error-prone, manual efforts to back end process and reconcile bills by Q4 2018,” according to the news release.

The surveys also show consumers prefer to pay their bills online. In the first half of 2017, nearly 62 percent of medical

risk to providers and the attention has turned to establishing funding mechanisms to benefit not only the hospital or physician, but the consumer,” Brown said. “Patients truly are the new payers.”

Additional key findings in the surveys include:

- Eighty-nine percent of provider financial administrators expect that healthcare payments will be made on phones and mobile devices by the fourth quarter 2018, however only 20 percent have the systems in place for electronic payments.
- Eighty-three percent of offices with under five physicians report “the slow payment of high-deductible plan patients are their top collection challenge, followed by the difficulties that practice staff have at communicating patient payment accountability (81 percent).”
- Patient payment services in high demand, according to healthcare providers, are transparency via cost estimation, managing consumer expectations through insurance eligibility verification before an appointment and enhancements to make payments more convenient for patients.

More information:

<http://www.blackbookmarketresearch.com> and <http://bit.ly/2Bng9H4>



## INDUSTRY TRENDS:

# BillingTree Survey Examines Technology, Payment Solutions

**B**illingTree, an ACA International member company in Phoenix, recently conducted its second annual Healthcare Operations and Technology Survey to examine current trends in the healthcare industry.

The survey is also designed to collect information on opportunities and challenges in the industry “to provide decision-makers with a comprehensive overview on payment technology usage in their sector,” according to a news release.

“The second annual survey of providers will provide an interesting point of comparison with last year’s results, which showed providers were looking to adopt technology to improve the patient experience, maximize settlements manage compliance,” Dave Yohe, vice president of marketing at BillingTree said in the news release. “The annual survey alongside our upcoming webinar both complement the full suite of BillingTree payment solutions and services for the industry.”

In particular, the 2016 results show the primary challenge for industry professionals is payment collection,

followed by patients’ inability to pay and concerns about regulatory compliance, according to the news release.

BillingTree’s 2017 surveys also include the ‘Operations and Technology Survey Series’ covering many key vertical markets, including Accounts Receivables Management, Property Management and Financial Services.

The company held an online seminar, “Patient Receivables – Who Are The People In Your Care?” in December to showcase many of the common characters healthcare providers encounter when collecting on patient responsibility. The event will offer useful tips on how services and technology can assist in managing each profile and increase the likelihood of collecting payment in a timely and compliant manner.

Yohe said the survey was open through December and a report on the findings should be available in January.

## NEWS & NOTES

### How to Mitigate Risks from Mobile Devices

The use of mobile devices for communication is only growing, and in the healthcare space that means providers and their business partners must have airtight policies and procedures when it comes to processing consumers’ electronic protected health information (ePHI.) Mobile devices should be a part of a company’s risk analysis processes. More information:

<http://bit.ly/2uJAcjr>

### Bankruptcy Filings on the Rise

Bankruptcy filings in the healthcare industry more than tripled in 2017, according to *Bloomberg*.

“Regulatory changes, technological advances and the rise of urgent-care centers have created a ‘perfect storm’ for healthcare companies,” David Neier, a partner in the New York office of law firm Winston & Strawn LLC, told *Bloomberg*. Hospitals, including privately-owned facilities in rural areas, may be the most likely to file for bankruptcy after they were subject to reduced payments under The Affordable Care Act in the 2017 fiscal year. <https://bloom.bg/2hW9fI0>

### We Want To Hear From You

*Pulse* is published for ACA healthcare collection agencies to provide current industry information for healthcare providers. ACA International welcomes article ideas and submissions for consideration in *Pulse*. Ideas may be submitted to ACA’s Communications Department at [comm@acainternational.org](mailto:comm@acainternational.org).

For more healthcare collections news, visit ACA’s Healthcare Collections page at [www.acainternational.org/pulse](http://www.acainternational.org/pulse).

## Learn the Latest in Healthcare Collection Management

**T**he process for healthcare collections differs greatly from other collection practices, but there are solutions that can help healthcare clients and the agencies that work on their accounts.

Irene Hoheusle, IFCCE, vice president of collections and education at Accounts Recovery Specialists Inc. in Wichita, Kan., will help participants learn successful strategies for working with different types of healthcare accounts in a three-day CORE Curriculum seminar: Healthcare Collection Management starting at 11 a.m. Central Jan. 9.

Registration is available through ACA International’s Education and Events website: <https://www.acainternational.org/events>.

is a monthly bulletin that contains information important to healthcare credit and collection personnel. Readers are invited to send comments and contributions to:

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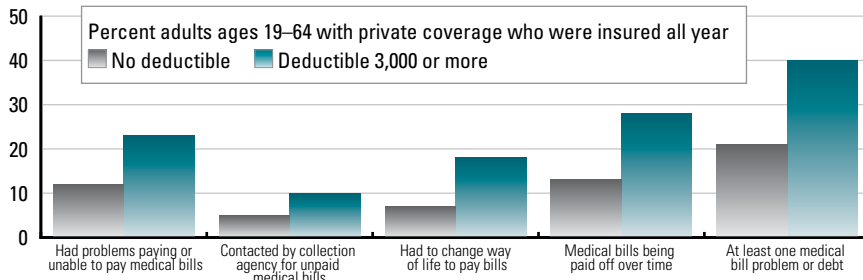
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## How High Deductibles Impact Consumers' Ability to Pay Medical Bills

Adults with high health insurance deductibles report they have difficulty paying medical bills, according to findings from The Commonwealth Fund Biennial Health Insurance Survey, 2016. For example, 40 percent of adults with a deductible of at least \$3,000 report difficulty paying their medical bills or that they had accumulated medical debt, compared to 21 percent of those with no deductible, according to the survey.



Source: S. R. Collins, M. Z. Gunja, and M. M. Doty, *How Well Does Insurance Coverage Protect Consumers from Health Care Costs? Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2016*, The Commonwealth Fund, October 2017. <http://www.commonwealthfund.org/Publications/Issue-Briefs/2017/Oct/Insurance-Coverage-Consumers-Health-Care-Costs>