SB 1264 and the Independent Dispute Resolution Process

May 12, 2022
Our focus

- Ensure that health plans comply with Senate Bill (SB) 1264.
  - Educate health plans, health care providers, mediators and arbitrators on the program.
  - Administer the Independent Dispute Resolution (IDR) portal.
  - Provide customer service to all participants.
- Refer compliance concerns.
- Maintain the Commissioner’s list of approved mediators and arbitrators.
- Collect and analyze data.
Multiple ways to resolve

• Formal appeal through the health plan.
• Contracting or other negotiation.
• Submitting a request using the statutory process (IDR) created by SB 1264.
Background
• Passed during the 2019 legislative session.
• Applies to fully insured health plans, ERS, and TRS.
• Applies to medical bills for services or supplies received on or after 1/1/2020:
  • Emergency care,
  • Out-of-network services received at an in-network facility, or
  • Lab or imaging services in connection with in-network care.

Protects consumers
• Prohibits providers from balance billing.
• Requires health plans to give notice of balance billing prohibitions.
• Creates two processes to resolve disputes: mediation and arbitration.
<table>
<thead>
<tr>
<th><strong>Request</strong></th>
<th><strong>First 30 days</strong></th>
<th><strong>Day 31</strong></th>
<th><strong>Day 51</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A request can be made 20-90 days after the date the out-of-network provider receives the first claim payment.</td>
<td>30-day informal settlement period. Parties can settle or select an arbitrator. Can be extended by mutual agreement.</td>
<td>The TDI portal will assign an arbitrator if one has not been agreed to by the parties.</td>
<td>Arbitration deadline.</td>
</tr>
</tbody>
</table>
A request can be made any time 20 days after the date the out-of-network facility receives the first claim payment.

30-day informal settlement period. Parties can settle or select a mediator. Can be extended by mutual agreement.

The TDI portal will assign a mediator if one has not been agreed to by the parties.

Mediation deadline.
**IDR system timelines**

**Day 1-30**
Informal settlement period

**After day 30**
Case is assigned if not settled

**Day 31-51**
Arbitrator requests, receives, and reviews info

**Day 51**
Arbitrator report due

**Day 31-180**
Mediator assists parties in mediation

**Within 45 days**
Mediator report due
Providers or their representatives can access the IDR portal through the TDI website.

Requests can be entered 20 days after the first claim payment.

Providers can monitor submitted requests from their portal dashboard.
• Basic claim details are required.
• Providers should verify that their patient’s plan is eligible.
• Portal questions guide the user through the submission.
• After the request is submitted, the health plan can view and update.
The health plan updates the plan details for each request.
The health plan is responsible for entering the results of the informal settlement period.
Arbitrators record the reasonable amount based on 10 factors, the final offers, and indicate the winner (who is closest to the reasonable amount).

Mediators report whether the dispute settled and the amount of settlement if applicable.
Arbitration
192,872 requests submitted
• 107,420 settled in the first 30 days.
• 53,438 decided by an arbitrator.
• 71% are ER physician disputes.

Mediation
54,454 requests submitted
• 35,142 settled in the first 30 days.
• 1,216 finished mediation.
• 382 settled in mediation.
• 78% are free-standing ER disputes.
TDI   IDR program statistics

Without the consumer protections provided in Texas law, the total disputed amount shown as of April 15, 2022, could have been passed on to consumers in the form of a balance bill. Providers and health plans have resolved almost $1 billion in disputed payments through the program.

Total dollar amount summary for eligible requests that are settled

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Grand total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original billed amount</td>
<td>$111,680,489</td>
<td>$599,702,675</td>
<td>$377,282,297</td>
<td>$1,087,665,460</td>
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<tr>
<td>Original patient share &amp; health plan paid amount</td>
<td>12,227,312</td>
<td>61,291,518</td>
<td>32,398,675</td>
<td>105,917,505</td>
</tr>
<tr>
<td>Total disputed amount</td>
<td>98,413,933</td>
<td>538,369,306</td>
<td>344,884,236</td>
<td>981,667,475</td>
</tr>
<tr>
<td>Total amount of settled</td>
<td>35,870,822</td>
<td>157,735,484</td>
<td>73,167,842</td>
<td>266,774,148</td>
</tr>
<tr>
<td>Arbitration</td>
<td>Mediation</td>
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<tr>
<td>---------------------------------</td>
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</tr>
<tr>
<td>• 180 arbitrators</td>
<td>• 197 mediators</td>
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<td></td>
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<tr>
<td>• Fee ranges</td>
<td>• Fee ranges</td>
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<tr>
<td>• $400 low</td>
<td>• $80 low</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• $6,000 high</td>
<td>• $3,000 high</td>
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<tr>
<td>• $1,000 median</td>
<td>• $800 median</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• $1,258 average</td>
<td>• $933 average</td>
<td></td>
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</table>
Requests settled in informal teleconference
Approximately 59% of the closed arbitration requests settled informally.

Requests settled in arbitration
Arbitrators decide the reasonable amount for the health care service and then the party whose final offer is closer is awarded the decision.
Mediation request outcomes

Mediation requests settled in informal teleconference
Approximately 74% of the closed mediation requests settled informally.

Settled with a mediator
Mediation requests can aggregate an unlimited number of claims if both parties agree. 31% of requests assigned to a mediator settled at the mediation conference.
Some requests entered involve ineligible claims. Remember:

• Self-funded health plans are not part of this process.

• This process in only for approved health care services.

• Claims entered more than 90 days after claim payment aren’t eligible.

• The system doesn’t allow duplicate entries.

TDI takes feedback from portal users to make enhancements.

• Guided submission process helps providers know when a claim is not eligible.

• Health plans can add plan details to round out the claim information.

• Mediators and arbitrators can alert to payment delays or lack of participation.
Questions

Visit our webpage, Balance billing: independent dispute resolution.

Questions can be sent to IDR@tdi.texas.gov.