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 2 processes to resolve disputes: mediation and arbitration.
# Arbitration timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Request</strong></td>
<td>A request can be made 20-90 days after the date the out-of-network provider receives the first claim payment.</td>
</tr>
<tr>
<td><strong>First 30 days</strong></td>
<td>30-day informal settlement period. Parties can settle or select an arbitrator. Can be extended by mutual agreement.</td>
</tr>
<tr>
<td><strong>Day 31</strong></td>
<td>The TDI portal will assign an arbitrator if one has not been agreed to by the parties.</td>
</tr>
<tr>
<td><strong>Day 51</strong></td>
<td>Arbitration deadline.</td>
</tr>
</tbody>
</table>
**Mediation timeline**

<table>
<thead>
<tr>
<th>Request</th>
<th>First 30 days</th>
<th>Day 31</th>
<th>Day 180</th>
</tr>
</thead>
<tbody>
<tr>
<td>A request can be made any time 20 days after the date the out-of-network facility receives the first claim payment.</td>
<td>30-day informal settlement period. Parties can settle or select a mediator. Can be extended by mutual agreement.</td>
<td>The TDI portal will assign a mediator if one has not been agreed to by the parties.</td>
<td>Mediation deadline.</td>
</tr>
</tbody>
</table>
Arbitration
217,762 requests submitted.
- 120,750 have settled during the initial 30-day period.
- 58,210 have been decided by an arbitrator.

Mediation
71,713 requests submitted.
- 45,440 have settled during the initial 30-day period.
- 1,433 have concluded mediation.
- 462 have settled in mediation.
Without the consumer protections provided in Texas law, the total disputed amount shown as of June 15, 2022, could have been passed on to consumers in the form of a balance bill. Providers and health plans have resolved over $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>$110,680,487</td>
<td>$597,513,288</td>
<td>$552,870,287</td>
<td>$1,261,064,062</td>
</tr>
<tr>
<td>Original patient share and health plan paid amount</td>
<td>12,227,312</td>
<td>61,138,428</td>
<td>50,762,111</td>
<td>124,127,851</td>
</tr>
<tr>
<td>Total disputed amount</td>
<td>98,453,175</td>
<td>536,374,860</td>
<td>502,108,176</td>
<td>1,136,936,211</td>
</tr>
<tr>
<td>Total amount of settled</td>
<td>35,870,822</td>
<td>156,254,838</td>
<td>119,613,513</td>
<td>311,739,173</td>
</tr>
</tbody>
</table>
Arbitrators decide the reasonable amount for the health care service and then the party whose final offer is closer is awarded the decision.

- Health plans win approximately 34% of the time.
- Providers win approximately 66% of the time.
- Average original bill for single-claim requests: $3,236
- Average additional amount paid for single-claim requests: $701
- Average winning amount as a percent of original bill: 33%
- Average winning amount as a percentage of the initial payment: 437%
Mediation requests can aggregate an unlimited number of claims if both parties agree.

32% of requests assigned to a mediator have settled at the mediation conference.

- Average original billed amount for single-claim requests: $17,630
- Average initial paid amount for single-claim requests: $1,849
- Average settlement for single-claim requests: $3,841