BALANCE BILLING

Where does the responsibility fall?

That is the problem facing the Texas Legislature in regards to balance billing. Does the burden fall on the patient who has had to go outside of his insurance network or should it fall on the insurance company or the physician involved? This has been a long-standing issue that has been left unsettled by the Texas legislature.

Part of the problem is when the patient is admitted to a hospital whose pathology or radiology departments are not participants in the patient’s healthcare plan. The patient during his stay may have to utilize the services of the pathology and or radiology department. If these groups are not participants in the patient’s insurance plan, the patient faces out of network reimbursement problems. Insurance companies traditionally have lowered payments or instituted non-payments to out of network physicians. This leaves the patient liable to the cost sustained.

The insurance companies contend that the pathology or radiology group involved has a monopoly because of contractual agreement with the hospital and thus can increase leverage in dealing with insurance companies. The physicians, on the other hand, state that the insurance companies have assumed a nonnegotiable cavalier attitude about their contracts with physicians (take it or leave it) and as a consequence have not reached an agreement with the physicians involved.

The Texas legislature had taken one-step in September 2007 when they enacted SB 1731, which mandated insurance companies have to inform patients that a particular in-hospital physician(s) may not be on their plan and would require out of network payment leaving the patient responsible for the balance. This requirement was also applied to physicians who are not part of that particular plan to inform the patient of their out of network situation. Additionally the law empowered the department of insurance to study reimbursement practices and their applications.

Legislators have encouraged physicians to enroll in insurance plans with the inducement or reasonable reimbursement. At the present time, this remains a pipe dream. The insurance companies and physicians need to be brought to the table to resolve the problem once and for all. Otherwise, it will be left up to the politicians to decide where the financial responsibility falls.

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