

## **BILL ANALYSIS**

Senate Research Center

S.B. 2127  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

“Surprise balance billing” most often occurs with out-of-network emergency services and health care services received at in-network hospitals from out-of-network physicians and other health care providers.

Most individuals who have received unaffordable out-of-network bills did not know the provider was not in their plan’s network at the time they received care.

Out-of-network providers in Texas have no limits on amounts they can bill, and can “balance bill” insured consumers up to the full billed charges even after collecting the full amount covered by a preferred provider benefit (PPO) plan, including the consumer’s co-pay, coinsurance, and deductible amounts due under the plan.

Studies show that about one in five insured Americans has difficulty paying medical bills and nearly half say their medical bills have had a major impact on their families.

Credit reports are kept on about 200 million United States consumers. They are the basis of credit scores and attempt to document a person's credit history and form the basis for lenders to decide whether to lend money and extend credit to consumers. Unpaid medical bills can reduce credit scores, costing consumers in higher interest rates.

S.B. 2127 takes important steps to protect consumers in situations of surprise balance billing. S.B. 2127 prohibits a consumer credit reporting agency from furnishing a consumer report that includes information on a medical collection account when the consumer had health insurance at the time services were received and the collection relates to billing for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim.

As proposed, S.B. 2127 amends current law relating to limitations on reporting of certain consumer credit information.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 20.05(a), Business & Commerce Code, by adding Subsection (6), to prohibit a consumer reporting agency from, except as provided by Subsection (b) (relating to a consumer reporting agency furnishing a certain consumer report), furnishing a consumer report containing information related to a collection account with a medical industry billing code when the consumer had health insurance at the time of the event giving rise to the collection and the collection relates to billing for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim.

SECTION 2. Effective date: upon passage or September 1, 2017.