



Health Facility Compliance Guidance Letter

Number: GL 19-2004 (HFC)
Title: 86 th Regular Session, Senate Bill (SB) 1264 Guidance Letter
Provider Types: Abortion Facilities, Ambulatory Surgical Centers, Birthing Centers, Chemical Dependency Treatment Facilities, Crisis Stabilization Units, End Stage Renal Disease Facilities, Freestanding Emergency Medical Centers, Hospitals, Narcotic Treatment Programs, and Private Psychiatric Hospitals
Date Issued: December 18, 2019

1.0 Subject and Purpose

The purpose of this letter is to provide instruction related to the passage of SB 1264.

This letter outlines provider responsibilities and expectations.

2.0 Policy Details & Provider Responsibilities

SB 1264, relating to consumer protections against certain medical and health care billing by certain out-of-network providers, amended the Texas Insurance Code.

SB 1264 added Chapter 752 to the Insurance Code, authorizing HHSC to take disciplinary action against a licensed health care facility that violates a law prohibiting the provider from billing a patient in an amount greater than an applicable copayment, coinsurance, or deductible under certain patient health benefit and insurance plans.¹

SB 1264 prohibits an out-of-network provider from billing a patient for certain covered health care services or supplies in an amount greater than an applicable copayment, coinsurance, or deductible under certain patient health benefit and insurance plans.

¹ Texas Insurance Code [§752.0003](#).

The Texas Department of Insurance (TDI) has interpreted the provisions of SB 1264 in new rules, consistent with that agency's duty to ensure that the Insurance Code is executed and to protect and ensure the fair treatment of consumers.

Accordingly, an individual or entity that is licensed, certified, or otherwise authorized by HHSC to practice or operate is subject to disciplinary action if the individual or entity violates the provisions of SB 1264 or the rules adopted by TDI interpreting those provisions.

Providers are responsible for complying with SB 1264, including as interpreted by TDI at 28 TAC Chapter 21, Subchapter OO, §§21.4901-21.4904 (relating to disclosures by out-of-network providers).

The changes in law made by SB 1264 are effective January 1, 2020.

3.0 Background/History

The stated purpose of SB 1264 was to amend the Insurance Code to establish consumer protections against balance billing by certain out-of-network providers.

4.0 Resources

For more information on SB 1264, please visit <https://tdi.texas.gov/rules/2019/senate-bill-1264.html>.

5.0 Contact Information

If you have any questions about this letter, please contact the Policy, Rules, and Training Section by email at HCQ_PRT@hhsc.state.tx.us.