



**Texas Association of Health Plans**  
1001 Congress Ave., Suite 300  
Austin, Texas 78701  
P: 512.476.2091  
www.tahp.org

April 12, 2023

Dear Chair Kolkhorst and members of the Senate Health & Human Services Committee,

Re: Support for SB 2476

TAHP supports protecting consumers from surprise medical bills through an established mediation process. The Texas mediation process in place today for hospital surprise bills is an appropriate venue to address the unique nature of ambulance billing and ensures consumers are protected. While we support the bill as filed, TAHP would oppose certain requested changes by the ambulance industry. We are concerned in particular about the requirement to pay at the “locally set rate.” While the ambulance industry may argue that these rates are set through a public process, they are actually unilaterally set by a county or municipality without an insurer’s involvement (or any real patient involvement). Mandating this payment requirement would create an incentive for those rates to be increased. Research shows that payment standards based on unilaterally set rates [have inflationary impacts](#).

Requiring payment at this rate would essentially undermine the need for any dispute resolution. If local governments can guarantee that health insurers have to pay whatever rate the local government sets, there would be no reason to control this rate, and we should expect the rate to increase. It’s also important to keep in mind that patients pay first through deductibles. Therefore, any policy that inflates the required payment will directly affect the patient’s out-of-pocket costs.

Texans are currently protected from surprise billing for hospital and physician services through SB 1264 (86th) and the federal No Surprises Act. However, there are no existing protections for ambulance surprise billing under state or federal law. Patients are balance billed for ambulance services at double the rate of the second leading source of balance bills (ER physicians) according to a study in the [Journal of the American Medical Association](#). One study in [Health Affairs](#) found that 71% of all ambulance rides are out-of-network, leading to potential surprise bills.



**Texas Association of Health Plans**

1001 Congress Ave., Suite 300  
Austin, Texas 78701  
P: 512.476.2091  
www.taahp.org

This is an industry that may have a significant amount of providers operating out-of-network by choice—not as a result of contract disputes. According to [another study](#), 39% of specifically non-emergency ground ambulance rides included an out-of-network charge for ambulance-related services.

These rates of out-of-network billing indicate that a large segment of the ambulance industry does not intend to contract. TDI attempted to study surprise billing issues with ambulance providers and had difficulty getting providers to respond to a survey. According to the agency: “In November 2021, TDI and DSHS announced the 2019-2020 ground ambulance billing practice survey to licensed providers. Responses were initially due to TDI by February 2022. During the response period, TDI and DSHS sent additional reminders and extended the due date twice to increase the response rate. Despite these efforts, **fewer than half of all providers responded.**”

TAHP supports adding surprise billing protections to ensure that patients will not be left with an unexpected bill when they have no choice of ambulance provider. However, we would oppose a government-set payment standard that creates inflationary pressures and adds costs to health insurance premiums and out-of-pocket costs.

Sincerely,

A handwritten signature in black ink that reads "M. Blake Hutson". The signature is written in a cursive, slightly slanted style.

Blake Hutson

Texas Association of Health Plans