

# Saving Money on Your Insurance

BY JOSE MONTE MAYOR

TEXAS COMMISSIONER OF INSURANCE

## *HMO Members Are Protected from Balance Billing*

**S**OME TEXAS HMO MEMBERS received unwelcome surprises in their mailboxes this year when they were billed for health care services they thought their HMOs had paid for.

Each year, the Texas Department of Insurance (TDI) receives a number of complaints from HMO enrollees about "balance billing." It's called balance billing because the provider bills you for the unpaid balance of the amount owed for a service. When the HMO won't or can't pay, the balance could be the entire bill. Balance billing often results from errors or misunderstandings in the health care provider's office.

It's important for HMO members to know both their rights and their responsibilities with respect to balance billing. Not knowing could cost you hundreds, even thousands, of dollars or endanger your credit rating.

First, let's talk about your rights.

Texas law requires HMO contracts with network doctors and other providers to include a "hold harmless" clause to protect patients. A hold harmless clause prohibits a network provider from asking patients to pay for services covered by the HMO. This is true even if the HMO goes broke and the provider can't get payment anywhere else.

In February 1999, I issued a formal advisory to certain San Antonio health care providers not to bill members of an HMO that had gone broke and could not pay for services that had been rendered.

Generally, if you get your health care through your primary care physician and obtain appropriate referrals to network physicians for specialized care, you should not get a bill.

The other side of the coin is that doctors and providers not under contract with your HMO can bill you for services. And a provider on the HMO's network can bill you for services that the HMO does not cover. This is where it's important for patients to accept some responsibility for managing their own health care.

This responsibility includes calling the HMO to make sure that your health plan covers a specialized treatment or test recommended by your primary care physician. A referral or treatment recommendation by your primary care physician does not automatically guarantee coverage.

The patient's responsibility also includes confirming that the specialist or lab is on the HMO's provider network. This is important because it is not uncommon for doctors and physician groups to drop off HMO networks. Your primary care physician might not know whether a particular specialist or lab is still under contract with your HMO.

In the San Antonio situation I mentioned earlier, members of the failed HMO complained about balance billing by an out-of-network lab where their physicians had sent them. In this case, the billing wasn't improper because the lab had no contract with the HMO. Without a contract, there was no hold harmless clause to protect patients against balance billing.

So what do you do if a health care provider bills you for a service you believe your HMO is obligated to cover?

Contact your HMO immediately. If the provider has made an error in sending you a bill, the HMO should be able to correct the problem quickly. Our experience has been that HMOs don't like to see their members balanced billed.

If your HMO doesn't resolve your problem, you can file a complaint with TDI. We have a good track record of assuring fair play for HMO members who complain to us about problems. An electronic complaint form is available on our Web site, [www.tdi.state.tx.us](http://www.tdi.state.tx.us). If you want a printed complaint form, call us at **1-800-599-SHOP** (7467). Or just write a letter detailing your problem and fax it to **512-322-4260** or mail it to:

**Texas Department of Insurance  
HMO Quality Assurance** (MC 103-6A)  
P.O. Box 149104  
Austin, TX 78714-9104

### **Editors:**

- *If you need further information, call:*  
**Texas Department of Insurance  
Public Information Office  
(512) 463-6425**

*We welcome your questions and suggestions about this column.*