



**To:** Sergio Cavazos, Committee Clerk,  
Texas House Committee on Insurance

**From:** Shannon & Mike Meroney  
On behalf of the Texas Association of Health Underwriters (<https://tahu.org>)  
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**Date:** September 8, 2020

**Re:** Committee Request for Information regarding COVID-19 Pandemic

Chairman Mr. Cavazos and Committee Members,

Thank you for this opportunity for TAHU to provide input in the form of a written submission on the Interim Charges studied by the Committee. TAHU (Texas Association of Health Underwriters) is a statewide trade organization of licensed health insurance agents. We have over 1,500 members across the State who help people and employers of all sizes find the best health insurance policy for their needs. TAHU's clients are typically the "mom and pop" small businesses on Main Street in towns all over Texas but they also serve larger companies and individuals. TAHU provides expertise and niche product service to companies who don't have the resources to staff a large HR Department. Their assistance begins with researching the best plans for each consumer and continues all the way through assisting with claims when needed. This results in TAHU members having their finger on the pulse of the real day to day needs of most Texans when it comes to finding affordable health insurance.

This submission addresses the Committee's request for Information related to the COVID-19 pandemic:

1. How prevalent is price gouging related to COVID-19 testing? What are state agencies doing in order to monitor price gouging associated with COVID-19 testing?
2. What steps are being taken in order to prevent surprise medical billing associated with COVID-19 treatment? What steps can consumers take in order to avoid these surprise medical bills?
4. What is the anticipated impact of the COVID-19 pandemic on health insurance premiums and the health insurance market moving forward?

## **TAHU's COMMENTS:**

TAHU conducted a survey of its members on this and other issues subject to the Committee's study. We received a variety of responses on the issue of COVID including the following themes:

- Agents are seeing a lot of inconsistencies and lack of information on how and what to properly bill insurance carriers when patients have insurance. Many carriers have elected to process testing for free. However, many providers have seen this as an invitation to add additional "fees" to the testing service. These fees don't usually come with an explanation. Overall, providers need more guidance on how to bill and carriers need more guidance on what charges are allowable. Patients need better education about both issues.
- Freestanding ERs specifically seem to be taking advantage of this new healthcare problem which does not seem to fall squarely within previous rules and regulations in place. However, the issue of price gouging is a serious one and TAHU wonders if the new regulations prohibiting unconscionable pricing by Freestanding Emergency Rooms is having any impact at all.

The Texas Tribune has published two article recently highlighting situations where freestanding emergency rooms particularly have engaged in price gouging. Since specific legislation was passed last session to address this problem when it involves unconscionable pricing, it seems that more legislation may still be warranted. Stories can be located here: <https://www.texastribune.org/2020/09/05/austin-texas-coronavirus-test-insurance-emergency-room/> and here: <https://www.texastribune.org/2020/05/13/texans-coronavirus-test-bills/>

Anecdotally, we received the following story from a TAHU agent in Fort Worth: we have a client that had multiple children and an adult go to an in-network Urgent care for COVID testing. The Urgent Care center charged a \$50 copay and two "convenience fees", \$25 and \$50, for two tests. On another child, they charged only a \$50 convenience fee and no copay. On an adult, they charged nothing. This was the same facility, different days, different people. The carrier has reimbursed them in-full for the actual charges, but the member has to get back his overcharged copay and convenience fees. The agent assisting is having a difficult time getting the facility to respond to anything or move on providing itemized statements so that the carrier can get involved. They admit that they didn't know what to charge and just came up with the convenience fee.

And from a Dallas agent's team:

| Date       | Service Description                                 | Charges    | Payments/<br>Adjustments | Patient<br>Balance |
|------------|---|------------|--------------------------|--------------------|
|            | Date of Service: [REDACTED]<br>Provider: [REDACTED] |            |                          |                    |
|            | CARDIOLOGY  | \$122.00   |                          |                    |
|            | EMERGENCY ROOM                                      | \$488.00   |                          |                    |
|            | LABORATORY  | \$540.00   |                          |                    |
|            | PROFESSIONAL OR PHYSICIAN FEES                      | \$550.00   |                          |                    |
|            | RADIOLOGY   | \$1,116.00 |                          |                    |
| 06/25/2020 | COMMERCIAL INSURANCE PAYMENT                        |            | -\$998.26                |                    |
| 07/02/2020 | COMMERCIAL INSURANCE PAYMENT                        |            | -\$68.66                 |                    |
| 06/25/2020 | CONTRACTUAL ALLOWANCE ADJUSTMENT                    |            | -\$339.90                |                    |
| 07/02/2020 | CONTRACTUAL ALLOWANCE ADJUSTMENT                    |            | -\$451.91                |                    |
|            | VISIT TOTAL   |            |                          | \$957.27           |

#### MESSAGES

As of the above date we have not received payment in full on your account. Payment is necessary to bring your account current. If you feel these charges are in error, please contact this office immediately.



Visit Us Online: [REDACTED]

Total Charges: ..... \$2,847.00  
Insurance Payments/Adjustments .....-\$1,889.73  
Patient Payments/Adjustments ..... \$0.00

AMOUNT DUE:

**\$957.27**

This patient had multiple ER visits during the time she tested positive for COVID.

DOS 6/7/20

Billed \$2297.00

Allowed \$1926.10

Carrier Paid \$998.26

Member Responsibility \$927.84 (\$500.00 ER Copay + \$427.84 Coinsurance)

Below is the email communication between the carrier, agent, and employer plan representative - clearly much confusion surrounded this claim and how it should be paid:

“Good Afternoon, the ER claim that was received did not have a COVID-19 diagnosis, therefore it was processed under the standard ER benefits on the plan. Based on the services that were billed on the ER claim, it appears this may have been for an unrelated emergency. In order to waive the cost share to the member, the provider would need to submit a corrected claim with a covered COVID-19 diagnosis code. There were 3 other claims billed on the same date of service as well, they also applied a patient portion as they also did not have any COVID-19 related diagnosis listed. The patient portion on the other claims is \$35.82, \$7.02, and \$29.43, so she

may see those bills coming in soon as well. Please let me know if there is anything else I can check, thank you!

-----Original Message:

From: (Agent)  
FW: Medical Bill

Hi ladies! Please see the group's email below. This is regarding member \_\_\_\_\_, and her social is . It looks like she was still positive for COVID during the time this service was provided.

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From: (Employer Rep)  
Sent: Thursday, July 16, 2020 2:26 PM  
To: (Agent)  
Subject: FW: Medical Bill

This is the individual that we had talked about that did have Covid19. This is one of the bills that she received from the hospital emergency room. She was originally diagnosed with Covid on 5/16/2020. Then, she went back to the ER on 6/7/2020 due to complications from Covid. She was still testing positive until 6/25/2020.  
Does she really have to pay this????