



Health Facility Compliance Guidance Letter

Number: GL 23-2002
Title: Itemized Billing for Health Care Services and Supplies (SB 490-88R)
Provider Types: Abortion Facilities, Ambulatory Surgical Centers, Birthing Centers, Chemical Dependency Treatment Facilities, Crisis Stabilization Units, End Stage Renal Disease Facilities, Freestanding Emergency Medical Care Facilities, General Hospitals, Limited Services Rural Hospitals, Private Psychiatric Hospitals, Narcotic Treatment Programs, Special Care Facilities, and Special Hospitals
Date Issued: August 28, 2023

1.0 Subject and Purpose

The Texas Health and Human Services Commission (HHSC) provides guidance to providers HHSC licenses on enacted legislation impacting their provider type. [Senate Bill \(SB\) 490](#), relating to itemized billing for health care services and supplies provided by health care providers, takes effect September 1, 2023.

This letter provides guidance to licensed health care providers regarding SB 490 and outlines provider responsibilities and expectations.

2.0 Background and History

SB 490 requires a health care provider¹ to submit a written, itemized bill of the alleged cost of each service and supply provided to the patient during the patient's visit to the provider when the provider requests payment from a patient after providing the patient with a health care service or related supply.²

¹ Per HSC Section 185.001(2), "health care provider" means a facility licensed, certified, or otherwise authorized to provide health care services or supplies in this state in the ordinary course of business, including a hospital, except the term does not include a federally-qualified health center, as defined by [42 U.S.C. Section 1396d\(l\)\(2\)\(B\)](#).

² HSC Section 185.002(a).

As stated in [SB 490's author's and sponsor's statement of intent](#), an itemized bill is an important patient protection that helps ensure patients know what services and supplies for which they are being charged and that the bill is accurate.

3.0 Legislative Details and Provider Responsibilities

SB 490 amends Texas Health and Safety Code (HSC), Title 2 by adding Subtitle J, regarding Payment for Health Care Services and Supplies. Subtitle J consists of new Chapter 185, regarding Health Care Billing, which requires a health care provider to send an itemized bill to a patient when seeking payment for services and supplies the health care provider provided to the patient.³

New HSC Section 185.002 requires a provider that requests payment to submit an itemized bill of the alleged cost of each service and related supply provided to a patient on or after September 1, 2023.

The provider must submit the itemized bill to the patient not later than the 30th day after the provider receives a final payment for the service or supply from a third party.⁴ A final payment is the last payment received by the provider, when the provider does not expect any future payment from a third party.

HHSC is currently developing rules to implement SB 490 and will publish the proposed rules in the *Texas Register* for public comment in the coming months before adopting the proposed rules.

Note: HHSC encourages stakeholders interested in commenting on the proposed rules to [sign up for GovDelivery](#) to receive notice regarding when the proposed rules publish for formal comment in the *Texas Register*.

3.1 Itemized Bill Requirements

The itemized bill required under Sec. 185.002 must include:⁵

- a plain language description of each distinct health care service or supply the health care provider provided to the patient,⁶

³ HSC Section 185.002(b).

⁴ HSC Section 185.002(b)(1).

⁵ HSC Section 185.002(b)(2).

⁶ HSC Section 185.002(b)(3).

- any billing code submitted to a third party and the amounts billed to and paid by that third party, if the provider seeks reimbursement from a third party,⁷ and
- the amount the provider alleges is due from the patient for each service and supply provided to the patient.⁸

If the billing codes a provider submits to a third party for reimbursement are codes for bundled services, then a provider must include all bundle codes and the amounts billed for each bundle code in the itemized bill.

A provider is not required to provide an itemized bill to collect payment from a patient before a service or good is delivered such as a co-payment or co-insurance payment.

A provider may issue the itemized bill electronically, including through a patient portal on the provider's website.⁹ Providers must take measures to protect a patient's personal health information in accordance with state and federal law.

A patient may request and receive an itemized bill from the provider at any time after the provider initially creates and issues the itemized bill.¹⁰ Providers must develop, implement, and enforce a written policy for delivering itemized bills to patients who choose to not receive documents electronically.¹¹ The policy must also address how the provider documents requests from patients who opt out of receiving an itemized bill.

Note: While a patient may request to not receive an itemized bill, the provider must make an itemized bill available if the provider is requesting payment from the patient.

If the provider is not attempting to collect money from the patient, the provider is not required to provide the patient with an itemized bill except as required under [HSC Section 311.002](#) or any other state or federal law.

⁷ HSC Section 185.002(b)(2).

⁸ HSC Section 185.002(b)(3).

⁹ HSC Section 185.002(c).

¹⁰ HSC Section 185.002(d).

¹¹ HSC Section 311.002.

A provider may not pursue debt collection¹² against a patient for a provided health care service¹³ or supply unless the provider has complied with all requirements for an itemized bill under HSC Section 185.002.¹⁴

3.2 Plain Language

SB 490 does not define plain language, but the Code Construction Act at [Texas Government Code Section 311.011](#) requires words and phrases in Texas statutes to be read in context and construed per the rules of grammar and common usage. In common usage, plain language is clear communication that the public can understand and easily use. Plain language is logically organized and understandable on the first reading.¹⁵

3.3 Enforcement

The law is effective September 1, 2023, and HHSC will enforce it for services and supplies provided to a patient on or after September 1, 2023. In accordance with HSC Section 185.003, as added by SB 490, HHSC must take disciplinary action against a licensed provider that violates HSC Chapter 185 on or after September 1, 2023, as if the provider violated an applicable licensing law.

For facility-specific licensing laws and rules, visit the [HHSC Health Care Facilities Regulation](#) page.

4.0 Resources

Review SB 490 (88th Legislature, Regular Session, 2023) at: <https://capitol.texas.gov/tlodocs/88R/billtext/html/SB00490F.htm>.

Review United States Code Title 42 Section 1396d(l)(2)(B) at: <https://www.govinfo.gov/content/pkg/USCODE-2008-title42/html/USCODE-2008-title42-chap7-subchapXIX-sec1396d.htm>.

Review SB 490 Author's/Sponsor's Statement of Intent at: <https://capitol.texas.gov/tlodocs/88R/analysis/html/SB00490F.htm>.

¹² Per HSC Section 185.001(1), "debt collection" has the meaning assigned by Section 392.001, Texas Finance Code.

¹³ Per HSC Section 185.001(2), "health care service" means a service a health care provider provides to an individual to diagnose, prevent, treat, alleviate, cure, or heal a human health condition, illness, injury, or disease.

¹⁴ HSC Section 185.002(e).

¹⁵ [Plain English: At a Glance.](#)

To receive notice regarding when the proposed rules publish for formal comment in the *Texas Register* and to receive future updates, sign up for GovDelivery at:

<https://service.govdelivery.com/accounts/TXHHSC/subscriber/new>.

Review Texas Government Code Section 311.011 at:

<https://statutes.capitol.texas.gov/Docs/GV/htm/GV.311.htm#311.011>.

Review Plain Language Resources at:

<https://www.plainlanguage.gov/resources/articles/at-a-glance/>.

HHSC Health Care Facilities Regulation at:

<https://www.hhs.texas.gov/providers/health-care-facilities-regulation>.

5.0 Contact Information

Email the Policies and Rules Unit at HCR_PRU@hhs.texas.gov if you have any questions about this letter.