



Updated FAQ on Itemized Billing

In 2023, Senate Bill (SB) 490 by Sen. Bryan Hughes (R-Mineola) and Rep. Caroline Harris-Davila (R-Round Rock) added a new Chapter 185 to the Texas Health and Safety Code. Chapter 185 requires hospitals to provide patients with itemized bills concurrently with any payment request after services are provided but before the hospital initiates debt collection actions. Prior to the effective date of the bill, the Texas Health and Human Services Commission (HHSC) released a Health Facility Compliance Guidance Letter ([GL 23-2002](#)) outlining health care provider responsibilities under Chapter 185. In 2025, the Texas Legislature passed **House Bill 216** by Rep. Harris-Davila. It went into effect on Sept. 1, 2025. The intent of the bill was to address implementation challenges and clarify certain aspects of Chapter 185, and to repeal a conflicting law on itemized statements that predated SB 490. **This FAQ provides THA members with guidance on how to comply with Texas' updated itemized billing law.**

1. **Where is the itemized billing law located?**

The law is in Chapter 185, Subtitle J, of Title 2, Health and Safety Code.

2. **When did the changes made to the itemized billing law by HB 216 go into effect?**

Sept. 1, 2025.

3. **What changes did HB 216 make to the itemized billing law?**

HB 216 made necessary changes to Chapter 185 to clarify and update itemized billing requirements. These include:

- Amending Section 185.002(a) to update and clarify that hospitals are required to itemize the alleged "amounts due" and not the "cost of" each health care service and supply provided to the patient during their hospital visit. See Question 12.
- Amends Section 185.002(c) to add that a health care facility can provide an itemized bill to a patient including through additional modalities, including a hard copy delivered through the mail or provided directly to the patient in person at the health care facility. See Question 16.
- Amends Section 185.002(d) to update and clarify how long a health care facility must keep copies of itemized bills to provide to patients upon request. See Question 19.
- Adds new Section 185.003(b) to confirm that HHSC may not take disciplinary action against a facility that, in good faith, mails a hard copy of an itemized bill to a patient if the mailed copy is returned as undeliverable, lost, or the patient's address on file was not current at the time the itemized bill was mailed. See Question 22.

- Adds new subsection Section 185.002 (c-1) requiring hospitals who use online patient portals to issue itemized bills to determine, *if feasible*, whether the patient has an “active patient profile” on the portal, and if they determine there is no active patient profile, the itemized bill must be emailed, mailed or provided in person to the patient in accordance with the patient’s preferred method of delivery. See Question 16.
- Adds that hospitals are also required to mail, e-mail or deliver the bill in person if they are unable (i.e. it is *not feasible*) to determine whether the patient has an active patient portal. The legislation does not define “active patient profile” and does not provide any criteria on how hospitals should determine whether a patient’s profile is “active.” See Question 16.

4. **Has HHSC promulgated rules for the implementation of Chapter 185?**

Yes. HHSC has adopted rules to implement Chapter 185. These rules are located at [Title 26, Part 1, Chapter 505, Subchapter C, Rule §505.46\(a\)\(2\)](#).

5. **To which providers does Chapter 185 apply?**

The HHSC guidance letter lists hospitals (general, special, limited services rural and private psychiatric), ambulatory surgical centers, birthing centers, dependency treatment facilities, crisis stabilization units, end stage renal disease facilities, freestanding emergency centers, narcotic treatment programs, special care facilities and any other facility that is required to be licensed by this state to provide health care services.

6. **Does Chapter 185 apply to individual physicians, off-campus hospital outpatient departments (off-campus HOPDs), and rural health clinics (RHCs)?**

Chapter 185 does not apply to individual physicians who have their own practice. It does apply to a facility that is owned by physicians, if the facility is required to be licensed to provide health care services. As a result of this exclusion, physician groups that contract with hospitals to provide physician services are not subject to Chapter 185. Patients may not receive an itemized bill from the physician group when the physician group requests payment for physician services provided in the hospital. THA recommends that hospitals educate their customer service staff tasked with answering itemized billing questions to recognize this distinction and to be able to educate and assist patients appropriately.

HHSC’s guidance letter did not include off-campus HOPDs or RHCs in the list of provider types to which the letter and Chapter 185 applies. Presumably this is because off-campus outpatient departments do not fall under the hospital’s license, and therefore HHSC does not have regulatory authority over them. We are not aware of any other state agency that has enforced or intends to enforce Chapter 185 on off-campus HOPDs or RHCs.

7. **When must hospitals provide their patients with an itemized bill?**

Hospitals must provide an itemized bill when requesting payment *after* services have been provided and no later than the 30th day from the date the hospital receives final payment from a third party (i.e., insurance or other payer). HHSC defined “final payment” as the last payment received by the provider,

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when the provider does not expect any future payment from a third party.¹ Please refer to Question 11 for additional information.

8. **When must a hospital provide an itemized bill to a patient that does not have insurance?**

If a patient does not have insurance, Chapter 185 requires hospitals to provide the itemized bill when the hospital is requesting payment from the patient after services are provided. If the hospital sends a bill to an uninsured or self-pay patient, that bill must include the itemized bill required by the law. For more information on how to provide the itemized bill, see Question 16.

9. **Does the hospital have to provide a bill to every single patient?**

Under Chapter 185, a hospital is only required to provide an itemized bill to patients from whom the hospital is seeking to directly collect any payment after services have been provided.

10. **If a patient's insurance pays for the entirety of the service and no amount is owed to the hospital from the patient, does the hospital still have to provide an itemized bill?**

No, an itemized bill is only required if the hospital is requesting a payment from a patient.

11. **Does a hospital have to provide an itemized bill when it collects a copay, coinsurance or cost-sharing amount prior to the date of service?**

No. An itemized bill is not required as long as the hospital is collecting the copay, cost-sharing or co-insurance amount *prior* to services being provided.² Chapter 185 clearly states that the itemized bill is only required for any future attempts to collect payment directly from patients *after* services have been provided.

12. **What must be included in the itemized bill?**

An itemized bill must include:

- A plain-language description of each distinct health care service or supply the hospital provided to the patient (see Question 15);
- The billing codes the hospital submitted to a third-party payer for any payment, if applicable;
- The amounts billed to and paid by a third-party payer, if applicable; and
- The alleged amount being sought by the hospital from the patient for each service and supply provided.

According to HHSC, if the billing codes a provider submits to a third party for reimbursement are codes for bundled services, then a provider must include all bundled codes and the amounts billed for each bundled code in the itemized bill.³

¹ GL-23-2002 (page 2).

² GL 23-2002 (page 3).

³ GL -23-2002 (page 3).

13. Can hospitals include other information on the itemized bill?

Yes. However, THA recommends that any additional information should serve the primary purpose of providing transparency, guidance and assistance to patients to help understand the billed amount for each service and/or supply. Hospitals should make strong efforts to ensure all information is complete and accurate.

14. Do hospitals still have to provide an “itemized statement”?⁴

No. HB 216 repealed Section 311.002 (b), (c), and (d), Health and Safety Code which required that hospitals provide an “itemized statement” upon request from a patient. The repeal took effect on Sept. 1, 2025.

15. Is “plain language” defined in Chapter 185?

No. However, when terms are undefined, Texas law states that words and terms should be interpreted according to their common usage. If a word or phrase has, over time, acquired a particular or technical meaning, the word or phrase shall be construed according to that meaning.⁵ HHSC cites to this section of the Code Construction Act in providing its definition of “plain language.”⁶

Additionally, HHSC’s guidance letter cites [Plain English: At a Glance](#) which defines “plain language” as clear communication that the public can understand and easily use. HHSC also states that the information should be logically organized and understandable on the first reading. THA recommends that hospitals use descriptions aligning with patient-friendly billing guidelines as well as using the federal [Plain Language Guide Series](#) as a reference. The [Healthcare Financial Management Association](#) provides guidance on patient-friendly billing.

16. Can the itemized bill be provided electronically?

Yes. Chapter 185 allows hospitals to provide the itemized bill electronically including through a patient portal or through the provider’s website. The law is broad and could arguably encompass many innovative and efficient ways for hospitals to get this information to their patients. Hospitals should note that information contained in the itemized bill is considered protected health information (PHI) and any PHI provided electronically must comply with any applicable HIPAA and other requirements. In its guidance letter, HHSC reiterated that providers must take measures to protect a patient’s personal health information in accordance with state and federal law.

HB 216 also added new requirements for health care providers that issue an itemized bill electronically through a patient portal. New Section 185.002(c-1), Health and Safety Code, requires providers who issue itemized bills through a patient portal to determine whether the patient has an “active” patient profile on the portal *if it is feasible* for a provider to make that determination.

The statute still does not define “active” or provide any criteria for what constitutes an “active” patient profile on a portal. If the provider determines that the patient does not have an “active” patient portal or is *unable to determine* whether the patient has an “active” patient portal, the provider must mail, e-mail

⁴ Tex. Health and Safety Code §311.002.

⁵ Tex. Gov’t Code §311.011.

⁶ GL-23-2002 (page 4).

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or provide a physical copy of the itemized bill to the patient in accordance with the patient's preference. THA anticipates that HHSC may issue additional guidance on how health care providers determine whether a patient has an "active" patient profile. Until that time, when a statutory term is undefined, the statutory term should be construed according to rules of grammar and common usage.⁷ If the term has acquired a technical meaning by legislative definition or otherwise, it must be construed according to that meaning.⁸

HHSC also noted in its guidance letter that hospitals adopt and enforce a written billing policy. THA recommends that hospitals review their current written billing policies to determine whether amendments are required as a result of HHSC's guidance letter and the passage of HB 216.

17. What if the patient does not want to receive an itemized bill?

Chapter 185, as amended by HB 216, is silent about how hospitals handle delivering itemized bills to patients who expressly notify the hospital that they do not want an itemized bill provided to them. However, HHSC's guidance letter reiterates that hospitals are expected to include in this policy how the hospital intends to document requests from patients who opt out of receiving an itemized bill.⁹

18. How does a provider prove that an itemized bill was sent or otherwise received by a patient?

When hospitals submit electronic copies of itemized bills, there should be a record sufficient to prove that these bills were provided. For paper bills, hospitals should document when bills are sent and may choose to utilize return receipts for additional documentation.

19. Does Chapter 185 require hospitals to provide additional copies of an itemized bill?

Yes. Chapter 185 entitles patients to obtain additional copies on request at any time after the initial bill is issued. However, HB 216 amended this requirement and beginning on Sept. 1, 2025, hospitals are only required to provide additional copies of itemized bills upon request until the date the provider is no longer required to keep copies of itemized bills under applicable record retention laws (federal and state) or the health care provider's policies and procedures regarding retention of patient billing information.

20. Does Chapter 185 prohibit hospitals from charging for additional copies of an itemized bill requested by a patient?

Chapter 185, as amended by HB 216, allows **a patient** to **request and receive** an itemized bill from the hospital after the provider initially creates and issues the itemized bill until the date the provider is no longer required to keep copies of itemized bills under applicable record retention laws (federal and state), or the date aligning with the health care provider's policies and procedures regarding retention of patient billing information (see Question 19). Section 311.002(f), Health and Safety Code, requires hospitals to provide the first two copies of an itemized bill for free and then allows providers to impose a "reasonable charge" for itemized bills when a patient or other person, such as a third-party payer, requests additional copies after the first two. Chapter 185 does not address payment for additional copies requested by the

⁷ Tex. Gov't Code §311.011.

⁸ Tex. Gov't Code §311.011.

⁹ GL-23-2002.

patient, either by prohibiting or permitting charging for these copies. Conditioning provision of an itemized bill on payment therefore poses a risk that a hospital has failed to provide the itemized bill upon request as required by Chapter 185.

Chapter 185, however, does not require hospitals to provide additional copies of itemized bills to anyone other than the patient.¹⁰ Hospitals may impose a reasonable charge for providing any additional copies of itemized bills requested by third-party payers after the first two free copies are provided. Although “reasonable charge” is not defined, current law states that the amount cannot exceed the hospital’s cost to copy the bill and process and deliver the copy to the third party.¹¹

21. What are the penalties if a hospital fails to comply with Chapter 185?

Chapter 185 requires HHSC to take disciplinary action against a hospital that violates the law as if the provider violated an applicable licensing law. In its guidance letter, HHSC encouraged providers to visit the [HHSC Health Care Facilities Regulation](#) webpage for more information on facility-specific licensing laws and rules. HHSC enforcement is complaint-based and the agency has the power to begin investigating complaints as of Sept. 1, 2023.

Additionally, if a hospital does not provide the patient an itemized bill, the hospital is prohibited from engaging in debt collection actions for that encounter. Both the Senate and House authors of SB 490 provided legislative intent that “debt collection” is intended to specifically refer to third-party debt collection.¹²

Therefore, if a hospital fails to comply with Chapter 185’s requirements and sends a patient’s account to a third-party debt collector, the patient will likely be able to successfully argue that the debt collection action is illegal and cannot be pursued by the third-party debt collector. However, hospitals must be aware that the definition of “debt collection” used in the plain text of Chapter 185 is not limited to third-party debt collection, resulting in conflict between the stated intent of the authors and the language in the bill.

22. Will a health care provider be subject to disciplinary action if the itemized bill is lost or returned as undeliverable?

No, not as of Sept. 1, 2025. HB 216 amended Chapter 185 to add new Section 185.003(b) which states that beginning on Sept. 1, 2025, HHSC cannot discipline or penalize a health care provider who in good faith mails a hard copy of an itemized bill and the mailed copy is returned as undeliverable or lost or if the address on file for the patient was not current at the time of the mailing.

23. How does Chapter 185 define debt collection?

Chapter 185 uses the same definition for “debt collection” that is used in the Texas Debt Collection Practices Act (TDCP) found in Chapter 392 of the Texas Finance Code.¹³

¹⁰ A patient’s personal representative is usually deemed to be “standing in the shoes” of the patient and so we believe this would include a patient’s personal representative even if not explicitly stated.

¹¹ Tex. Health and Safety Code §311.002(f).

¹² [Page 3542 of the House Journal \(May 10, 2023\); Page 1942 of the Senate Journal \(May 16, 2023\);](#)

¹³ See also GL-23-2002 (page 4).

Chapter 392 defines “debt collection” as “an action, conduct, or practice in collecting, or in soliciting for collection, consumer debts that are due or alleged to be due to a creditor.” HHSC’s guidance letter simply refers hospitals to this definition and does not provide any additional guidance on whether such term is limited to third-party debt collection as is intended by SB 490’s author.¹⁴ HB 216 did not amend the definition of “debt collection.”

24. Does the definition of debt collection include actions taken directly by the hospitals, affiliated companies or their vendors/contractors?

The TDCP is broader than federal laws governing debt collection in that it is specifically intended to encompass actions taken by creditors on their own behalf. As a result, it could be argued that any attempt by a hospital to collect payment either directly or through the use of an affiliated company, hospital vendor or contractor could be considered “debt collection” and thus be prohibited by Chapter 185 if an itemized bill is not provided in accordance with its requirements. That said, Texas law specifically allows courts to consider the “circumstances under which the statute was enacted” and “legislative history” when construing statutes.¹⁵

The legislative intent expressed by the authors of SB 490 can and should be utilized in defense of any claims that a hospital failed to comply with the law, as well as claims that any collection that is not third-party debt collection is prohibited. For example, if a hospital fails to submit an itemized bill with an initial request for payment but provides a copy of the itemized bill before the patient makes any payment (and before sending the debt to a third-party debt collector), the legislative intent suggests that hospitals would not be prohibited from attempting to collect payment directly, or from sending the payment to a third-party debt collector.

However, given that Chapter 185 requires that the itemized bill accompany the initial request for payment for uninsured/self-pay patients, and within 30 days from the date of final payment by a third-party payer, failure to comply with these requirements could be enough to prevent any collection – third-party or otherwise – regardless of the legislative intent provided. Thus, THA recommends that hospitals comply with the requirements of Chapter 185, as amended by HB 216, for services and supplies provided on or after Sept. 1, 2023.

Contact a member of THA’s advocacy & legal teams for additional information:

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¹⁴ GL-23-2002 (page 4).

¹⁵ Tex. Gov’t Code §311.023 (2-3).