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Provider Notification

Medicaid Balance Billing Prohibited for STAR and STAR Kids Providers

Aetna Better Health of Texas (ABH TX) is committed to ensuring that STAR and STAR Kids members have access to covered healthcare services without inappropriate financial burden. This notification serves as a reminder of provider responsibilities regarding balance billing, member hold harmless requirements, and member financial liability under Texas Medicaid managed care programs.

Federal and state Medicaid regulations prohibit providers from billing Medicaid members for covered services beyond the amount paid by the Medicaid program. As participating providers, you are required to comply with all applicable Texas Medicaid, HHSC, TMHP, and Aetna Better Health of Texas billing requirements.

What is Balance Billing?

Balance billing occurs when a provider bills, charges, seeks payment from, or otherwise holds a Medicaid member financially responsible for any amount associated with a covered service beyond the reimbursement paid by Aetna Better Health of Texas or Texas Medicaid.

Examples of prohibited balance billing include:

- Billing a member for the difference between the provider's billed charge and the Medicaid allowed amount.
- Billing a member for a denied or reduced claim involving a covered service.
- Billing a member because a prior authorization was not obtained.
- Billing a member because a claim was submitted after the filing deadline.
- Billing a member due to coding, billing, or documentation errors.
- Billing a member due to reimbursement disputes or provider administrative errors.
- Collecting deposits for covered services.
- Referring members to collections for balances related to covered services.

Any billing dispute related to a covered service must be resolved between the provider and Aetna Better Health of Texas and may not be transferred to the member.

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STAR and STAR Kids Member Protections

Members enrolled in the STAR and STAR Kids programs are protected from liability for covered Medicaid services. Providers must accept payment from Aetna Better Health of Texas as payment in full for covered services.

Providers may not:

- Bill members for covered Medicaid services.
- Bill members for services denied due to provider error.
- Bill members for untimely filing.
- Bill members for claim submission errors.
- Bill members for failure to obtain required authorization.
- Require deposits for covered services.
- Initiate legal action against members for covered services.
- Report member balances related to covered services to collection agencies or credit reporting entities.

STAR and STAR Kids members must be held harmless from liability for payment of covered services.

Non-Covered Services and Member Financial Responsibility

A STAR or STAR Kids member may only be financially responsible for services that are not covered benefits when all of the following conditions have been met:

1. The service is not a covered Medicaid benefit.
2. The member is informed in advance that the service is not covered.
3. The member is informed that he or she will be financially responsible for payment.
4. The member voluntarily agrees to receive the service.
5. The member signs the applicable Private Pay Agreement and Member Acknowledgement Form before services are rendered.

Providers must maintain signed documentation in the member's medical record and make it available upon request. Without proper advance notice and completed documentation, members may not be billed for services that would otherwise be subject to Medicaid coverage requirements.

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Claims Filing Requirements

Providers are responsible for submitting claims in accordance with Aetna Better Health of Texas and Texas Medicaid requirements.

If a claim is not received by Aetna Better Health of Texas within ninety-five (95) days, the claim may be denied unless an applicable filing exception exists. Providers may not bill members for services denied due to:

- Untimely filing
- Administrative errors
- Missing documentation
- Claims submission errors
- Failure to obtain required authorization
- Other provider-related noncompliance

For additional information regarding filing requirements and exceptions, refer to the Texas Medicaid Provider Procedures Manual, Section 6.1.4, "Claims Filing Deadlines." TMPPM.book

Common Scenarios

Scenario	Can the Member Be Billed?
Claim denied for no prior authorization	❌ No
Claim denied for timely filing	❌ No
Provider disagrees with reimbursement	❌ No
Non-covered service with signed consent	✅ Yes
CHIP copayment	✅ Yes (authorized amounts only)

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Provider Compliance Responsibilities

Providers are responsible for ensuring that office staff, billing personnel, and third-party billing vendors understand and comply with Medicaid balance billing requirements.

Failure to comply with balance billing and member hold harmless requirements may result in:

- Recovery of improperly collected member payments
- Corrective Action Plans (CAPs)
- Additional provider education and monitoring
- Increased compliance oversight
- Additional contractual remedies, as applicable

Aetna Better Health of Texas actively monitors provider compliance with Medicaid billing requirements to protect members and ensure adherence to program standards.

Questions or Support

- Reference the ABH TX Provider Manual For Health Care Providers | Aetna Medicaid Texas
- Use the Availity Provider Portal for claims and billing support Availity Essentials - Sign In
- **Medicaid (STAR)** 1-800-248-7767 (Bexar) **Medicaid (STAR)** 1-800-306-8612 (Tarrant) **STAR Kids** 1-844-787-5437 • TTY 1-800-735-2939

Thank you for your continued partnership and commitment to delivering high-quality care to Aetna Better Health of Texas STAR and STAR Kids members while ensuring compliance with all Texas Medicaid requirements. Your efforts help protect members from inappropriate financial liability and support a positive healthcare experience.

Sincerely,

ABH of Texas Provider Engagement Team