



Physicians Caring for Texans

Medical Billing Tax

HB 1445 by Oliverson

Physician Testimony by Dr. Yassir Zeid

Thank you, Mr. Chairman and committee members, for allowing me to testify today. My name is Dr. Yassir Zeid, and I am an OB-GYN from the Tyler, Texas. Today, I will be testifying on behalf of the TMA and its now more than 55,000 members across the state of Texas in **support** of HB 1445.

First, I want to thank Comptroller Hegar and his staff for working with the large health care coalition interested in this issue, ensuring that the preparation of medical bills, are not taxed. I would also like thank Rep. Oliverson for filing this legislation to clarify the law.

It was brought to our attention in November of 2019 that an industry argument was being made that medical billing services, performed by third parties, should be taxed at the sales tax rate. Upon hearing this, the Comptroller graciously met with TMA and other health care organizations to help us understand the potential for a loophole in the law. It was indicated that there would likely need to be a legislative fix to prevent medical billing services from being tax.

Many small physician practices rely on third party billing services, as they do not have the resources to provide billing preparation and submission in house. HB 1445 will ensure that physicians and other health care providers are not taxed for the initial submission of health care claims. Additionally, this legislation will also prevent potential increase in cost to patients as well.

It has been a tough year for the health care industry, many physicians and other practitioners have had their practices struggle, some even closing their doors. We appreciate what the Legislature is doing to prevent an additional burden on the health care industry and ask for your support of HB 1445.