

VENODHAR JULAPALLI, M.D.

October 11, 2026

Sample Counsel (fictional)

Example Law Firm (fictional)

123 Sample Street

Houston, Texas 77000

Re: Jane Sample (fictional) Medical Billing Expert Report

Dear Counsel:

This letter summarizes my review of the reasonableness of Jane Sample (fictional)'s medical charges in the case of SAMPLE: Jane Sample v. John Example (fictional case for illustration)¹

Qualifications

I have been a licensed physician in the State of Texas since 2004. I received my doctor of medicine degree from Baylor College of Medicine in May 1999. I completed a residency in internal medicine at Baylor College of Medicine in 2002, followed by a fellowship in gastroenterology, which I completed in 2005, also at Baylor College of Medicine.

I have been board certified by the American Board of Internal Medicine/Gastroenterology since 2005.

I have had an active clinical practice in gastroenterology since completing my fellowship in 2005. I maintain an office practice and have hospital privileges at HCA Houston Healthcare Northwest and Memorial Hermann The Woodlands Medical Center in greater Houston, Texas.

Based on my education, training, and experience, I am familiar with and have actual knowledge of the analysis of medical charges. Since 2005 I have done my own medical billing in my medical practice, in multiple contexts: billing patients directly for medical services, classifying medical services based on International Classification of Diseases Version 10 ("ICD-10") and Health Care Procedure Coding System/Common Procedural Terminology ("HCPCS/CPT") codes, and filing medical service claims to government/insurance payers, in hospital, office, and ambulatory surgery center ("ASC") settings. I am familiar with industry standards for determining usual, customary, and reasonable ("UCR") charges and applying coding edits before determining the reasonableness of those charges.

¹ This review addresses only the reasonableness of the medical charges, not whether the services charged were medically necessary.

Materials Reviewed

In my analysis of this case, I reviewed exhibits of Ms. Sample’s medical bills provided to me from March 4, 2025, through May 20, 2025. The entities for which medical bills were made available to me include Sample General Hospital (fictional), Sample Emergency Physicians (fictional), Sample Imaging Center (fictional), Sample Rehab Clinic (fictional), Sample Pain Specialists (fictional), Sample Surgery Center (fictional), and Sample Anesthesia Group (fictional).

Methodology

In accord with Texas law, I determine the maximum reasonable charge for a medical service as the negotiated payment rate between a health plan and health care provider for medical expenses actually paid or incurred. For all other medical expenses, *i.e.*, those not involving a third-party payer, I determine the maximum reasonable charge based on the UCR charge for a given medical service. For many commercial payers and in many states, including Texas, the industry standard for defining the UCR charge is the 80th percentile of undiscounted billed charges for the given medical service in a given geographic area.²

For Texas facility charges, I directly calculate the 80th percentile of billed charges from publicly available data provided by the Texas Health Care Information Collection (“THCIC”) of the Texas Department of State Health Services. Directly calculating the 80th percentile of billed charges in an individual medical market is considered to reflect that market’s UCR charge more precisely than using national percentiles adjusted geographically (through, for example, “geozips”³). In addition, in accord with industry standard, the relevant market’s UCR charge is *not* determined as a percentage of payment amounts allowed by Medicare.

To calculate the 80th percentile directly, first, I assume the accuracy of the assigned codes in the billing records; I assign any missing codes based on industry standards for HCPCS/CPT classification of the given medical services. Second, I sort the THCIC database for matching HCPCS/CPT codes and relevant market. Third, I average the charges performed at a given facility for a given HCPCS/CPT code. Fourth, I calculate the 80th percentile charge from the list of average charges by facility and, where appropriate, facility type (*e.g.*, outpatient hospital versus ASC). Finally, I adjust the 80th percentile charge for inflation to the year of service using the relevant inflation rate from the Bureau of Labor Statistics. I account for industry-standard coding edits and payment practices such as those from the Medicare National Correct Coding Initiative (“NCCI”) when determining the reasonableness of medical charges as compared to the 80th percentile.

2 Since 2019, to protect patients from out-of-network surprise medical bills, Texas law has required an arbitration process that, among other factors, must take into account the 80th percentile of billed charges to determine the reasonable amount for medical services. Tex. Ins. Code §1467.083.

3 “Geozips” are three-digit zip codes defined by the U.S. Postal Service to manage mail deliveries.

SAMPLE — fictional case for illustration only

For charges by physicians and other health care practitioners, I rely on annually updated 80th-percentile UCR fees published by the United States Department of Veterans Administration (“VA”), adjusted for zip code. The VA’s data sources for determining UCR charges include FAIR Health’s database of billions of private health insurance claims, Medicare’s Standard Analytical File of practitioners’ billed charges from a semi-random sample of 5% of Medicare beneficiaries, and Milliman’s Health Cost Guidelines used by numerous insurers, managed care organizations, and third-party administrators to estimate area-specific claim costs.

For ambulance services, which are not reported in the Texas Health Care Information Collection or the Veterans Affairs Reasonable Charges data, I determine the 80th percentile of reasonable charges from the Centers for Medicare & Medicaid Services Medicare Physician & Other Practitioners Public Use File. I array the average submitted (billed) charges of ambulance providers within the patient’s geographic area (the three-digit geozip) and compute the 80th percentile, applied per mile for mileage codes.

If publicly available data does not exist to determine a UCR charge for a given medical service, I consider the reported charge to be reasonable.

Analysis

The table below details my analysis of Ms. Sample’s medical charges, as compared to reference benchmarks:

Provider; HCPCS/CPT Code	Billed Charges	THCIC 80 th Percentile	VA 80 th Percentile	Notes
Sample General Hospital (fictional)				
99284	\$4,850.00	\$3,448.73	N/A	
72125	\$6,200.00	\$2,515.19	N/A	
Ibuprofen 800 mg tab	\$18.00	N/A	N/A	Pharmacy (rev 0250); no code, accepted as charged. No publicly available fee schedule; reported charge accepted as reasonable (uncapped).
TOTAL	\$11,068.00	\$5,963.92	N/A	
Sample Emergency Physicians (fictional)				
99284	\$1,450.00	N/A	\$1,465.74	
TOTAL	\$1,450.00	N/A	\$1,465.74	
Sample Imaging Center (fictional)				
72141	\$3,800.00	\$7,620.50	N/A	

SAMPLE — fictional case for illustration only

Provider; HCPCS/CPT Code	Billed Charges	THCIC 80 th Percentile	VA 80 th Percentile	Notes
72148	\$3,800.00	\$7,601.58	N/A	
TOTAL	\$7,600.00	\$15,222.08	N/A	
Sample Rehab Clinic (fictional)				
99203	\$350.00	N/A	\$305.79	
97110 (24)	\$2,160.00	N/A	\$2,022.60	
97140 (12)	\$1,080.00	N/A	\$929.93	
97014 (12)	\$780.00	N/A	\$418.47	
97010 (12)	\$420.00	N/A	\$209.23	
TOTAL	\$4,790.00	N/A	\$3,886.02	
Sample Pain Specialists (fictional)				
99204	\$950.00	N/A	\$458.21	
62323 05/06/25	\$3,800.00	N/A	\$642.08	
99213 (2)	\$900.00	N/A	\$504.22	
TOTAL	\$5,650.00	N/A	\$1,604.51	
Sample Surgery Center (fictional)				
62323 05/06/25	\$24,500.00	\$10,423.88	N/A	
TOTAL	\$24,500.00	\$10,423.88	N/A	
Sample Anesthesia Group (fictional)				
01992 -AA	\$1,800.00	N/A	\$1,636.71	UCR calculated using 01992, \$282.1906 per unit, 5 base units, and 0.8 time units for 12 minutes anesthesia.
TOTAL	\$1,800.00	N/A	\$1,636.71	

* N/A: not applicable/not available.

** (n): number of times the given code was reported.

The following table summarizes my determination of Ms. Sample's reasonable charges:

Provider	Billed Charges	Allowed UCR Charges *
Sample General Hospital (fictional)	\$11,068.00	\$5,981.92
Sample Emergency Physicians (fictional)	\$1,450.00	\$1,450.00

SAMPLE — fictional case for illustration only

Provider	Billed Charges	Allowed UCR Charges *
Sample Imaging Center (fictional)	\$7,600.00	\$7,600.00
Sample Rehab Clinic (fictional)	\$4,790.00	\$3,886.02
Sample Pain Specialists (fictional)	\$5,650.00	\$1,604.51
Sample Surgery Center (fictional)	\$24,500.00	\$10,423.88
Sample Anesthesia Group (fictional)	\$1,800.00	\$1,636.71
TOTAL	\$56,858.00	\$32,583.04

* If billed charges were less than calculated UCR charges, then allowed UCR charges were set at billed charges.

Based on the analysis above, I conclude that Ms. Sample's reasonable medical charges are \$32,583.04.

I reserve the right to supplement or amend my opinions if additional information is provided to me for review.

Sincerely,

A handwritten signature in black ink, appearing to read 'Venodhar Julapalli', with a stylized, cursive script.

Venodhar Julapalli, M.D.