

# THE FACTS

## ABOUT SURPRISE MEDICAL BILLS

More than half (57%) of U.S. adults received a bill for medical services they thought were covered by insurance, according to a 2018 survey by NORC at the University of Chicago. Surprise medical bills occur when patients receive unanticipated health care services from providers outside of their insurance company's network, particularly during medical emergencies. As health insurers adopt increasingly restrictive, less transparent networks, it has become harder for patients to access "in-network" physicians. As Congress debates policy solutions, these are the most important considerations:



### **Patients shouldn't be held responsible for surprise medical bills.**

A single, surprise medical bill can upend a working family's finances, forcing decisions between necessary medical care and other essentials. To ensure patients aren't penalized for insurance company practices beyond their control, policymakers need to remove patients from the dispute and develop a fair process to encourage resolution by insurers and providers.



### **A comprehensive approach is needed to address the root causes of surprise billing.**

Congress must address insurer practices that leave patients without appropriate in-network care options and accurate information about their financial obligations. Policies to ensure more rigorous network adequacy oversight, transparent and accurate plan information – especially regarding in-network and out-of-network payment and cost-sharing policies – and accurate provider directories are critical to a long-term solution.



### **Settlements between insurers and physicians should use independent data that reflect the true costs of delivering care.**

Setting an arbitrary in-network rate will eviscerate independent physicians' already limited ability to negotiate fair contract terms with insurers. This approach will drive even more provider consolidation, resulting in less choice in doctors and higher prices for patients and employers. This is exactly what surprise medical bill legislation is supposed to prevent. Congress must strike a balance that preserves access to important services by emergency physicians, on-call surgeons and other specialists. Instead of relying on the non-transparent rates insurers set, surprise medical bill settlements should use reimbursement data from independent organizations that encourage transparency and fairness by removing outlier fees and payments. This approach takes into account physicians' actual medical costs across local geographies and other factors, like the patient's specific insurance product.



**New York's time-tested surprise billing law has accomplished these goals and should be the template for Congressional action.**

Five years ago, New York enacted a law that absolves patients of responsibility for surprise medical bills and uses transparent, independently-collected data to ensure arbitrated settlements are fair, which promotes access to needed doctors. The law is a proven arbitration deterrent, with more disputes being resolved before reaching that stage. When disputes are arbitrated, the loser pays. Decisions have been split evenly between providers and insurers, an indicator that the law is promoting fairness. This approach is working: since it went into effect, New York premiums have grown more slowly than the rest of the nation, and out-of-network charges are down 13 percent, according to a May 2019 Georgetown University Health Policy Institute case study.



**The bipartisan Ruiz-Roe plan will eliminate surprise medical bills and encourage fairness.**

The bipartisan proposal by U.S. Representatives Raul Ruiz, MD (D-CA), Phil Roe, MD (R-TN) and six colleagues is the best framework for legislation because it's grounded in New York's successful approach.

**CONGRESS: IMPROVE ACCESS TO NEEDED MEDICAL CARE:**

- ✓ Remove patients from financial responsibility for surprise medical bills.
- ✓ Require a fairer, more transparent physician payment approach that's grounded in real costs for medical services to encourage reliable access to needed doctors.
- ✓ Support the bipartisan Ruiz-Roe plan as a framework for legislation.

