



Surprise Medical Billing Principles

“Surprise billing” or “balance billing” occurs when patients receive care from a provider outside of their insurance network, usually without their knowledge. The patient is then billed the difference between what the provider charged and what their insurer paid for the service.

Often, surprise bills are related to the receipt of emergency care –urgent and sometimes life-threatening situations where patients are not able to decide which facility or physician provides their care. Recent academic studies have found that approximately one out of every five emergency department visits involve care from an out-of-network provider.¹ However, surprise bills are not unique to the emergency setting. Another study found that the physician specialties most likely to send surprise bills are anesthesiology, interventional radiology, emergency medicine, pathology, neurosurgery, and diagnostic radiology.²

Surprise bills are an increasingly common occurrence for patients and consumers. They occur regardless of the type of health insurance and are rendered in almost all health care settings. Most consumers with health insurance expect their coverage will provide protection from unexpected, exorbitant medical bills for needed care; however, more than half (57%) of insured Americans have been caught off guard by a medical bill for care they thought would be covered by their insurance plan. Even among large employer plans, nearly one-in-ten elective inpatient procedures involved a potential surprise bill.³

¹ Cooper, Zack, Fiona Scott Morton. 2016. “Out-of-network emergency-physician bills—an unwelcome surprise.” NEJM 2016; 375:1915-1918. <https://www.nejm.org/doi/full/10.1056/NEJMp1608571>.

² Bai G, Anderson GF. Variation in the Ratio of Physician Charges to Medicare Payments by Specialty and Region. JAMA. 2017;317(3):315–318. doi:10.1001/jama.2016.16230.

³ Garman, Christopher, Benjamin Chartock. 2017. “One in Five Inpatient Emergency Department Cases May Lead to Surprise Bills.” Health Affairs. Vol 36. No. 1 <https://www.healthaffairs.org/doi/10.1377/hlthaff.2016.0970>.

Principles

Our 25 patient and consumer advocacy organizations believe that access to affordable, accessible and adequate health insurance is key to improving the health and wellbeing of all people living in the United States.⁴ As such, we believe that Congress should take strong and swift action to protect patients and consumers from surprise medical bills by passing legislation that meets the following principles:

1. **Hold Patients Harmless:** Any policy addressing surprise billing must ensure that patients are held financially harmless. When patients receive services from an out-of-network provider for which they have the reasonable expectation that the service was performed in-network (for example, services performed at an in-network facility, or services ordered by an in-network provider), the patient should incur no greater cost-sharing than if the service was performed by an in-network provider. Any such cost-sharing should accrue to in-network deductibles and out-of-pocket caps. Any solution should also ensure costs are not simply passed along to patients through higher premiums or out-of-pocket costs.
2. **Apply Protections to All Insurance Plans:** Surprise billing protections should apply to all commercial health insurance plans, including individual, small group, large group, and self-insured plans as applicable.
3. **Apply Protections to All Surprise Bills for All Covered Services:** Protections should apply to all surprise bills, regardless of the amount of the bill. Protections should apply to devices that may be provided to a patient while in their provider's office. A surprise bill of any amount can be challenging to patients and their families.
4. **Apply Protections to All Care Settings:** Surprise billing protections should be applicable regardless of provider type or care setting. Policies should not limit these protections to just emergency services, hospital services, or certain types of specialists.
5. **Require Transparency in Addition to – Not Instead of – Surprise Billing Protections:** Increased transparency for patients is not a sufficient way for policymakers to address the problem of surprise billing. In the vast majority of surprise billing cases, the affected patient has little ability to seek an alternative in-network provider, even if given more information. While our organizations support greater transparency requirements for plans and providers, such requirements are insufficient to meaningfully protect patients from surprise bills.
6. **Conduct Additional Research:** Surprise billing can occur for a variety of reasons, including the inadequacy of a plan's provider network. Policymakers who enact surprise billing protections should also consider requiring data collection on the incidence of surprising billing to determine whether additional policies and protections are warranted (for example, enactment of more robust network adequacy requirements).
7. **Strengthen State Protections Instead of Weakening Them:** Any federal protections against surprise billing should set a floor to ensure that at least this level of protection exists in all states, but not pre-empt stronger state-level protections where these rules apply.

⁴ Consensus Healthcare Reform Principles: <https://www.heart.org/-/media/files/get-involved/advocacy/access-to-care/050819-healthcare-principles44logos.pdf?la=en&hash=413C07330CE837C8AEDF059454378C45B655594A>

8. **Protecting Patients who Utilize Emergency Transportation:** Our organizations are deeply concerned about the impact of balance billing practices on individuals who require emergency transportation. Emergency transportation services reduce transport time for patients during life threatening situations and are a critical component of successful treatment for individuals experiencing a serious health event. Patients in these situations have no choice over who provides care or how they are transported and are frequently balance billed as a result. Policymakers should craft policies that protect patients in all health care settings, including emergency transportation settings.

ALS Association

American Cancer Society Cancer Action Network

American Diabetes Association

American Heart Association

American Kidney Fund

American Lung Association

Arthritis Foundation

COPD Foundation

Cystic Fibrosis Foundation

Epilepsy Foundation

Family Voices

Hemophilia Federation of America

Leukemia & Lymphoma Society

Mended Little Hearts

Muscular Dystrophy Association

National Alliance on Mental Illness

National Health Council

National Hemophilia Foundation

National Multiple Sclerosis Society

National Organization for Rare Disorders

National Patient Advocate Foundation

Pulmonary Hypertension Association

Susan G. Komen

The American Liver Foundation

WomenHeart: The National Coalition for Women with Heart Disease