


FAMILIESUSA
THE VOICE FOR HEALTH CARE CONSUMERS

Alliance for Health Policy Congressional Briefing

Balancing the Bills – Policy Solutions to Address Surprise Billing


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Dedicated to creating a nation where the best health and health care are equally accessible and affordable to all

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Who We Are



COVERAGE **HEALTH CARE** VALUE **HEALTH** EQUITY **CONSUMER** ENGAGEMENT

Families USA is a leading nonpartisan, national voice for health care consumers. We work to ensure the best health and health care are equally affordable and accessible to all. For almost 40 years we collaborate on the state and national level to advance our mission through public policy analysis, advocacy, and collaboration with partners.

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Roadmap of the Discussion

- ❑ Surprise Bills: The Problem
- ❑ Impact on Families
- ❑ Key Principles for Consumer Protections in Surprise Bill Legislation




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Surprise Bills: The Problem

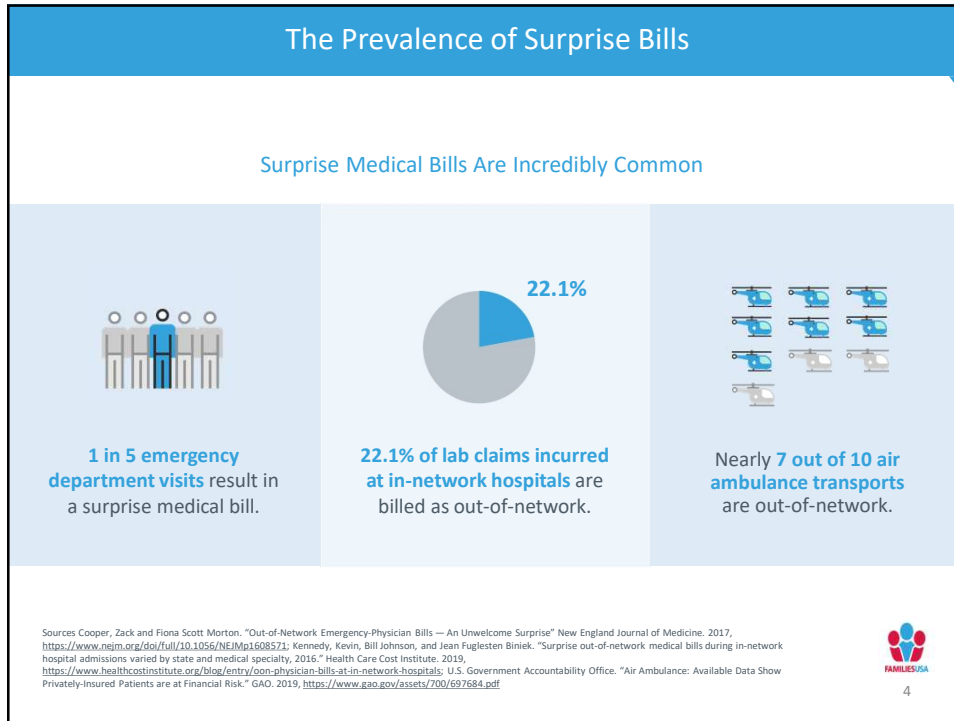
- Occur when consumers are charged for care from out-of-network providers that they receive due to no fault of their own
- Unpredictable for families and occur despite every effort consumers make to avoid them
- Impact plans with narrow and broad provider networks alike
- For decades, families have been harmed by surprise bills when powerful industries cannot agree on a payment rate

Sources: Gunja, Munira Z., Sara R. Collins, Michelle M. Doty, and Sophie Beutel. "Americans' Experiences with ACA Marketplace Coverage: Affordability and Provider Network Satisfaction." The Commonwealth Fund. July 2016. https://www.commonwealthfund.org/sites/default/files/documents/___media_files_publications_issue_brief_2016_jul_1883_gunja_americans_experience_aca_marketplace_affordability_v2.pdf.

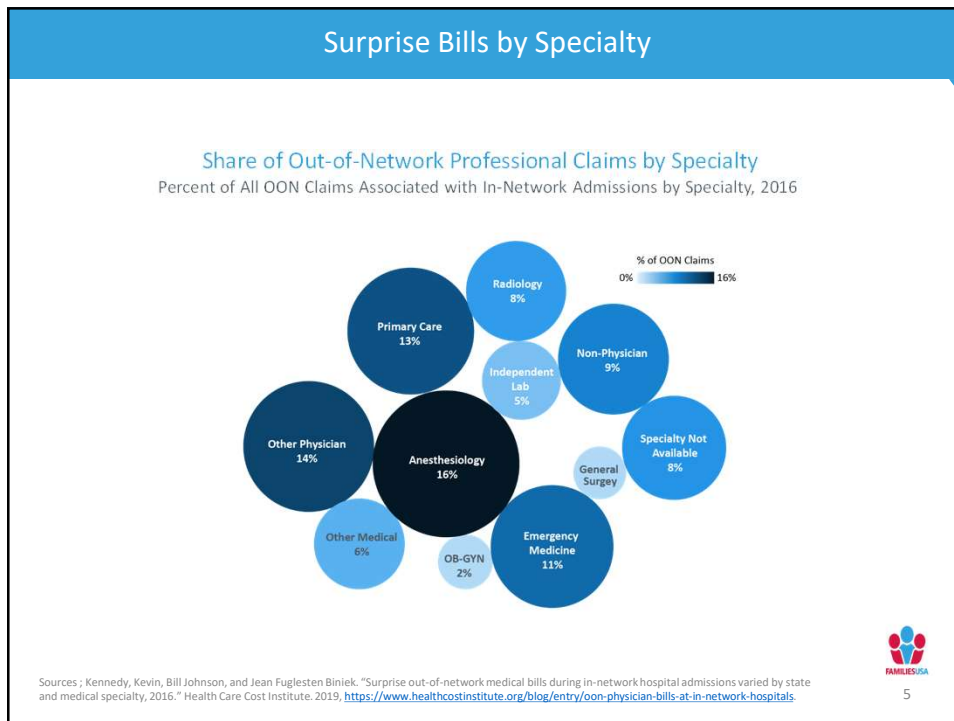


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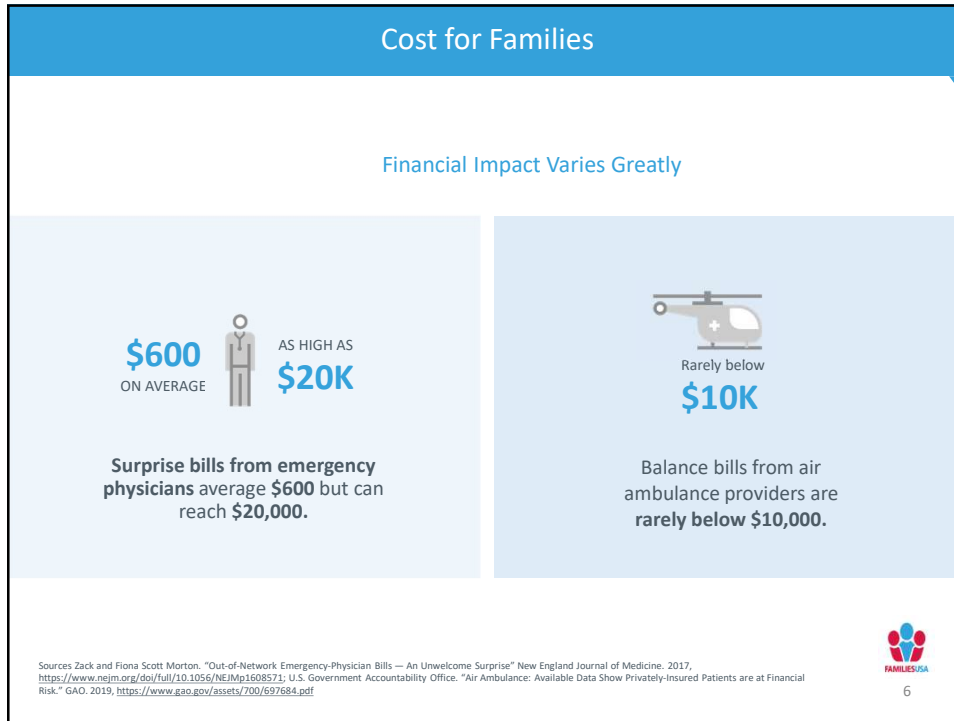
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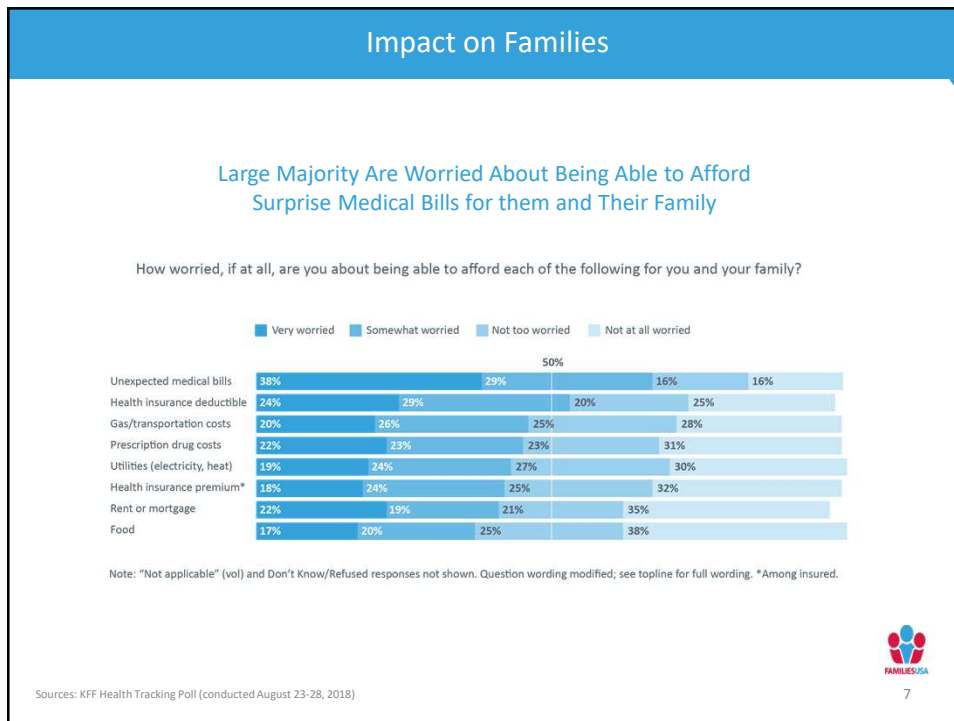
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Three Key Principles for Consumer Protections in Surprise Bill Legislation

Principle One: Hold Consumers Harmless

- In emergencies and at in-network facilities balance billing should be completely prohibited
- Hold consumers harmless from surprise bills across health care settings and provider types
- For out-of-network care that individuals incur due to no fault of their own, they should not pay more towards their care than their in-network cost-sharing (including copayments, coinsurance, and deductibles)
- Cost-sharing amounts should count towards a consumer's in-network out-of-pocket maximum and deductible
- For provider types where a consumer may reasonably choose to go out-of-network (such as for office-based care), surprise billing protections should trigger unless the provider has informed the patient 7-days in advance of such service of the provider's network status with an estimate of costs and obtained patient consent



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Three Key Principles for Consumer Protections in Surprise Bill Legislation

Principle Two: Protect Total Cost of Surprise-Billed Services (Not just cost-sharing)

- To ensure that overall premiums aren't being unfairly increased, a reasonable payment level for surprise bill should be established
- A reasonable payment level should be based on actual prices being paid in the market and not inflationary (e.g., should not be based on charges, which almost always do not accurately reflect price)

Principle Three: Coordination between State and Federal Laws


- Federal law should apply to surprise bill situations unless state law is equally or more robust in terms of both consumer protections and holding costs down (i.e., a HIPAA model of preemption)
- Even if states have robust surprise billing laws, federal law should apply to any health plans that states cannot fully regulate, such as self-insured, ERISA-regulated plans



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