

Stopping Surprise Medical Bills

Large and unexpected balance billing of patients by out-of-network providers is a growing concern for patients and employer plan sponsors. These surprise medical bills frequently arise from emergency care or treatment provided by an out-of-network hospital or facility or an out-of-network provider at an in-network facility. In such cases, after the patient's health plan pays benefits under the terms of the plan, the out-of-network provider submits a bill to the individual for the difference between the amount paid by the plan and the billed charges.

Amid one of the fiercest and most expensive lobbying battles in years, key House and Senate committee leaders reached an agreement on surprise medical bills in December, but jurisdictional issues in the House and some concerns from party leaders stalled any action. The deal would amend existing ACA protections to cover not only out-of-network emergency services but also nonemergency services received from out-of-network providers at in-network facilities — and ambulance services. It would pay out-of-network providers a benchmark rate based on median in-network rates in the area but allow for arbitration if the benchmark rate is more than \$750.

These beefed-up consumer protections would apply broadly to nongrandfathered group health plans — whether insured or self-funded — and to individual policies. A number of states have already enacted similar patient protections and others are considering them.

The House-Senate deal attempts to strike a compromise between health care payors and providers. Employers and health insurers want to settle payment disputes with out-of-network providers by paying them a median in-network rate for a given area. They staunchly oppose the preferred approach of hospitals and doctor groups — arbitration — as costly and problematic for designing networks attractive to participants and medical providers.

The powerful House Ways and Means Committee is expected to offer its own proposal within weeks; a one-page summary of its developing plan suggests that arbitration will be a key component of the bill. Congressional leaders are feeling political urgency to address the issue, but the intensity of the fight between well-financed provider-side interest groups and employers/insurers over who will pay for the fix will be a big challenge for Congress.