

COALITION AGAINST

# SURPRISE MEDICAL BILLING

## Protecting Patients From Surprise Medical Bills

### Common-Sense Solutions That Are Fair & Affordable

**Surprise medical billing is one of the most pressing affordability concerns facing patients today.** [More than four in ten insured adults](#) said they received a surprise medical bill from an out-of-network provider in the past two years. These bills often exceed hundreds, even thousands of dollars. At a time when nearly [40 percent of Americans cannot afford a \\$400 emergency](#), **surprise medical bills shouldn't break the bank.** Ending the unfair practice of surprise medical billing would solve a major health challenge facing patients while enhancing financial security for millions of Americans.

#### The Problem

Millions of patients face bills they did not expect at prices they cannot afford. While the majority of doctors and providers do their best to deliver fair, affordable care for patients and their families, there is a small but significant number of doctors and hospitals responsible for the vast majority of surprise billing.

When clinical specialists choose not to participate in health insurance providers' networks – or if they do not meet the standards for inclusion – they often demand a blank check from patients for their services. The consequences for patients are significant: financial stress; fighting a complicated, confusing bureaucracy; being harassed by collection agencies; and often facing legal action for non-payment. And when a health insurer steps in on a patient's behalf to cover the surprise medical bill, it raises premiums for everyone else.

#### The Solution

**The Coalition Against Surprise Medical Billing** is an alliance of leaders representing clinical organizations, employers and health insurance providers. We employ and serve millions of people every day. We support meaningful improvements that would:

- Protect patients and families from surprise medical bills;
- Maintain fair and equitable payments for providers with a local benchmark standard; and
- Help reduce consumers' health insurance premiums by avoiding a costly arbitration process and addressing the inflated bills that make health care more expensive.

[Protecting patients from surprise medical bills sent by out-of-network providers. This includes care for:](#)

- Emergency situations and respective services;
- Services or treatments performed at an in-network facility by an out-of-network provider that the patient did not elect to receive treatment from; and
- Ambulatory transportation to any health care facility in an emergency.

For non-emergency situations, patients deserve to know who will be treating them and whether they are in their insurance network. Hospitals should notify patients at their first point of contact that some providers assigned to them may be out-of-network and inform them of their right to select in-network providers or decline care.

[Requiring health insurance providers to reimburse non-participating doctors based on a local benchmark reflecting market-based rates negotiated by other doctors in the area.](#) All health insurance plans should

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be required to reimburse an out-of-network provider or facility an amount based on a fair benchmark rate for those services. A benchmark such as the median in-network rate would reflect payments negotiated by other providers and reflect the actual cost of care. This benchmark should apply to ERISA self-funded plans and in states where no methodology is in place. State laws should apply only when they would not increase costs for patients and taxpayers.

## [Avoiding a cumbersome arbitration process that increases costs for patients, businesses and taxpayers.](#)

Health care is already confusing. In states where arbitration is common, it adds another layer of red tape because it's long, complicated, unpredictable and costly. Surprise medical bills are often based on little more than what a non-network provider hopes to be paid.

Under arbitration, these excessive charges are given equal weight to reasonably negotiated rates. In any process that rewards these outrageous charges, the end result will be payments that are excessively high – which will increase premiums for patients. And, since the federal government provides premium tax credits and other health care cost support, when premiums go up, taxpayer costs go up right along with them.

We all agree that patients have been stuck with surprise medical bills for too long. Let's work together to end surprise billing with rates that are fair, reasonable and affordable. Let's make sure that broken bones don't break the bank – and that we're protecting patients, families, employers and taxpayers in the process.