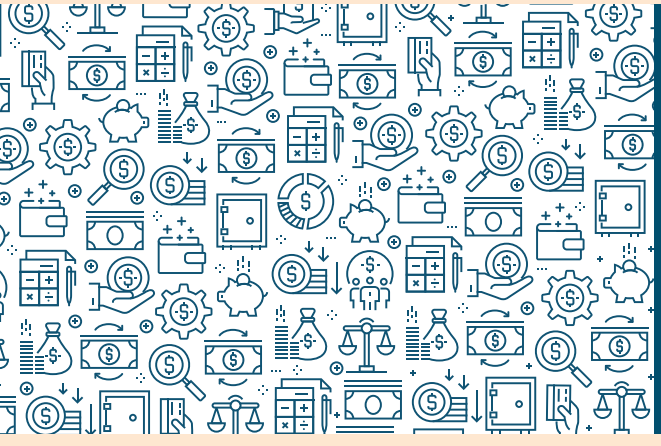
BlueCross BlueShield Association



How to Take the Surprise Out of Medical Bills

A surprise medical bill is an unexpected bill a consumer receives from an out-of-network doctor after receiving services at an in-network facility. Often, these surprise bills are "balance bills" from physicians, meaning a bill that is on top of what insurance reimbursed that can amount to hundreds – even thousands – of dollars. Individuals who have a reasonable expectation that they have done everything to seek care at an in-network facility should be protected from receiving an unanticipated bill from an out-of-network doctor.

KEY FACTS

15% OF PATIENTS WITH LARGE-EMPLOYER COVERAGE admitted to an inpatient hospital receive surprise bills

Roughly **ONE IN FIVE** EMERGENCY ROOM VISITS involves care from an out-of-network doctor

BCBSA RECOMMENDS

Blue Cross and Blue Shield companies believe all patients should be protected from surprise medical bills. Solutions should better protect consumers while preventing unintended costs and disruptions to the healthcare system. Policymakers should consider common-sense solutions that:

1 PROTECT PATIENTS

- Prohibiting balance billing by physicians is critical to protect consumers from the significant financial burden tied to unchecked billing practices.
- Policymakers should require facilities to notify patients of their providers' network status when services are being scheduled and of their rights regarding balance billing as part of intake, but facilities should not force patients to consent to out-of-network care when they may not have alternative options.

2 ESTABLISH A FAIR AND TRANSPARENT PAYMENT

- Policymakers should provide a benchmark-based payment where plans reimburse these doctors the greater of Medicare or each plan's median contracted rate based on a government-developed methodology. This would provide a minimally disruptive, fair, transparent and predictable payment amount that would continue to encourage providers to remain in-network.
- Policymakers could provide a federal default for plans, including employer-sponsored plans, for states that have not implemented legislation and establish guardrails to support effective state-based legislation.

3 MAINTAIN HIGH-QUALITY NETWORKS

- Establishing a clear definition of a surprise bill, specifying the subset of facility-based providers included, would provide transparent and enforceable expectations.
- Policymakers should avoid forced arbitration as it adds new layers of administrative complexity and cost. If policymakers pursue arbitration, they should include guardrails to minimize premium increases and ensure a reasonable and fair process for consumers.
- Policymakers should not require plans to pay out-of-network providers directly as it would unduly reward providers who choose not to contract with health plans.

ISSUED ON 4/10/19