

## Physicians back alternative approach on surprise billing

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**What's the news:** Multiple bills have surfaced attempting to address patients' costs for unanticipated out-of-network care. A bipartisan House bill introduced by two physicians includes a provision for the independent dispute-resolution process that the AMA has been advocating for.

**Why it matters to patients and physicians:** These unanticipated out-of-network costs have been described as “surprise billing,” but—as AMA Trustee S. Bobby Mukkamala, MD, told the House Ways and Means Health Subcommittee—the real issue is “surprise coverage gaps.” These gaps are the result of deliberate decisions by health insurance plans to narrow their network of available physicians.

A Senate bill calls for paying out-of-network emergency care specialists—such as anesthesiologists, pathologists, radiologists and other similarly situated physicians—the median in-network rate. Such an approach would eliminate incentives to contract with physicians and would likely lead to them being dropped from the network.

The AMA prefers the approach outlined in the “Protecting People from Surprise Bills Act of 2019,” co-sponsored by Reps. Raul Ruiz, MD, D, Calif., and Phil Roe, MD, R, Tenn. Their bill would implement a process, proven to be effective in New York state, in which a neutral third party chooses between the physician's charge and the plan's initial payment amount.

“We appreciate that you are committed to addressing this issue by taking a balanced and proven approach to reconciling differences between physician charges and plan payments, while at the same time protecting patients by removing them completely from the dispute,” AMA Executive Vice President and CEO James L. Madara, MD, wrote in a letter to Drs. Ruiz and Roe.

The AMA included a similar process as one of the seven principles for reform that outlined in a letter to Congressional leaders earlier this year. The letter noted that, when a plan's payment is insufficient due to the complexity of the patient's medical condition, an alternative dispute resolution process should be used that takes in account the special expertise the patient needs and does not mandate

arbiters to consult in-network or Medicare rates.

“The New York experience has shown no adverse impact on premiums,” Dr. Madara’s letter says. “Furthermore, the cost is minimal, consumer complaints are greatly reduced, there has been no apparent bias in arbiter decisions for or against insurers or providers, and providers and payers have become more willing to reach agreements outside of the arbitration process.”

**What’s next:** The Senate bill, which does not include the dispute-resolution process, was approved by the Senate Health, Education, Labor & Pensions Committee. Congressmembers are hoping to act on the issue before the August recess.