

## The push to prevent surprise billing: 8 things to know

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Patients, physicians and policymakers are deeply concerned about patient costs caused by narrow provider networks. When patients must go out of network to receive covered care, they're often burdened with unexpectedly high medical bills.

The AMA is working to prevent this by supporting patient protections from unanticipated medical bills, and stronger provider network regulations to ensure fair payment to out-of-network physicians.

### What we stand for

#### **A fair, market-based approach**

"The AMA and 110 other organizations representing hundreds of thousands of American physicians are urging Congress to refine surprise billing legislation to ensure the final version targeting unanticipated out-of-network care represents a fair, market-based approach that treats all stakeholders equally while protecting patient access to care."

#### **Keeping patients out of billing disputes**

We can avoid payment disputes from the start with robust, independent dispute resolution (IDR). Such a mechanism encourages "all parties to act fairly and reasonably from the start in setting charges and payment amounts, without ever needing to be invoked." Then, in cases when the upfront payment is insufficient the IDR process enables an efficient solution that doesn't require lawyers or taxpayer dollars.

#### **Ensuring network adequacy**

"Strong oversight and enforcement of network adequacy is needed from both federal and state governments. Robust network adequacy standards include, but are not limited to, an adequate ratio of emergency physicians, hospital-based physicians, and on-call

specialists and subspecialists to patients, as well as geographic and driving distance standards and maximum wait times. Provider directories must be accurate and updated regularly to be useful to patients seeking care from in-network providers. In addition, insurers should be held to complying with the prudent layperson standard in existing law for determining coverage for emergency care” stated in this letter to leaders of the Senate and House committees of jurisdiction.

### **Insurer transparency**

“Any solution to address unanticipated medical bills must also require transparency so that all patients who choose in advance to obtain scheduled care from out-of-network physicians, hospitals, or other providers are informed prior to receiving care about their anticipated out-of-pocket costs, scope of their coverage, and breadth of their provider network.”

## **What else you should know**

### **Health insurance market concentration**

“Doctors want to be included in health-plan networks, but they want to do so on the basis of fair contracts. Most health insurance markets are highly concentrated, and 57% of physicians work in practices of 10 or fewer physicians. Those factors combine to leave physicians in a weak negotiating position with large commercial health insurers,” S. Bobby Mikkamala, MD, said.

### **New York is doing it well**

Physicians point to the success that New York state has had with a law mandating an independent dispute-resolution (IDR) process to deal with medical bills arising from unanticipated out-of-network care. “From its implementation in March of 2015 through the end of 2018, the Out of Network Law has saved New Yorkers more than \$400 million in emergency services alone, reduced out-of-network billing in New York by 34%, and

lowered in-network emergency physician payments by 9%.”

## **Two-part podcast series addressing surprise billing**

In part 1 of "Physician's guide to advocacy" podcast, AMA Vice President of Government Affairs Cynthia Brown says the AMA is, “looking at ways to try and insulate patients from the situation where they go to an in-network hospital, maybe an in-network physician as well, but they still get a surprise bill from someone out of network when they had no choice of who that was.” In part 2 AMA Senior Vice President of Advocacy Todd Askew focuses on hot topics on Capitol Hill including protecting patients from surprise medical bills.

## **How you can help**

Please contact your members of Congress today and ask them to support surprise billing legislation that protects the patient and holds insurers accountable for failing to provide adequate networks of physicians.