AMERICAN MEDICAL ASSOCIATION PRIVATE PRACTICE PHYSICIANS SECTION

Resolution: 1
(A-25)

Introduced by: Michael Brisman, MD

Subject: Universal Out of Network Benefits

Referred to: PPPS Reference Committee
(xxxx, MD, Chair)

Whereas, private health insurers have deliberately used their regional monopoly powers to push unacceptably low rates on physicians, thus creating artificially narrow networks; and

Whereas, such practice creates the appearance of physician shortages and lack of access to physicians in a reasonable time, all to the sole benefit and profit of insurers; and

Whereas, before insurers created restrictive networks, healthcare costs and premiums were much lower; and

Whereas, laws that require insurers to allow patients to seek an out-of-network physician when appropriate will always be entirely inadequate because insurers will always determine that a patient does not need an out-of-network physician; and

Whereas, the now frequent need to wait months to see a physician would largely resolve if patients all had out-of-network benefits and could see any practicing physician; and

Whereas, many states are now taking the absurd step of trying to allow nurses and physician assistants to practice medicine independently because there aren't enough in-network doctors available to care for patients; and

Whereas, the practice of creating and restricting networks has coincided with a massive increase of overall healthcare costs, not a savings; and

Whereas, the single and only beneficiary of insurance policies that offer no out-of-network benefits are the insurance companies themselves, to no clear public advantage; therefore be it

RESOLVED, that our American Medical Association will advocate for a federal law that requires all private insurers that operate in the United States to only offer health insurance plans with out-of-network benefits (Directive to Take Action).

Fiscal Note: (Assigned by HOD)

Received: 2/3/2025

RELEVANT AMA POLICY

Out-of-Network Care H-285.904

1. Our American Medical Association adopts the following principles related to unanticipated out-of-network care:
    a. Patients must not be financially penalized for receiving unanticipated care from an out-of-network provider.
    b. Insurers must meet appropriate network adequacy standards that include adequate patient access to care, including access to hospital-based physician specialties. State regulators should enforce such standards through active regulation of health insurance company plans.
    c. Insurers must be transparent and proactive in informing enrollees about all deductibles, copayments and other out-of-pocket costs that enrollees may incur.
    d. Prior to scheduled procedures, insurers must provide enrollees with reasonable and timely access to in-network physicians.
    e. Patients who are seeking emergency care should be protected under the "prudent layperson" legal standard as established in state and federal law, without regard to prior authorization or retrospective denial for services after emergency care is rendered.
    f. Out-of-network payments must not be based on a contrived percentage of the Medicare rate or rates determined by the insurance company.
    g. Minimum coverage standards for unanticipated out-of-network services should be identified. Minimum coverage standards should pay out-of-network providers at the usual and customary out-of-network charges for services, with the definition of usual and customary based upon a percentile of all out-of-network charges for the particular health care service performed by a provider in the same or similar specialty and provided in the same geographical area as reported by a benchmarking database. Such a benchmarking database must be independently recognized and verifiable, completely transparent, independent of the control of either payers or providers and maintained by a non-profit organization. The non-profit organization shall not be affiliated with an insurer, a municipal cooperative health benefit plan or health management organization.
    h. Independent Dispute Resolution (IDR) should be allowed in all circumstances as an option or alternative to come to payment resolution between insurers and physicians.
2. Our AMA will advocate for the principles delineated in Policy H-285.904 for all health plans, including ERISA plans.
3. Our AMA will advocate that any legislation addressing surprise out of network medical bills use an independent, non-conflicted database of commercial charges.

Citation: Res. 108, A-17; Reaffirmed: A-18; Appended: Res. 104, A-18; Reaffirmed in lieu of: Res. 225, I-18; Reaffirmed: A-19; Reaffirmed: Res. 210, A-19; Appended: Res. 211, A-19; Reaffirmed: CMS Rep. 5, A-21; Modified: Res. 236, A-22; Reaffirmed: CMS Res. I-23; Reaffirmed: CMS Rep. 3, I-23; Reaffirmed: CMS Rep. 08, A-24

Patient Access to Covered Benefits Ordered by Out-of-Network Physicians D-285.958

1. Our American Medical Association will develop model legislation to protect patients managed by out-of-network physicians by prohibiting insurance plans from denying payment for covered services, including imaging, laboratory testing, referrals, medications, and other medically-necessary services for patients under their commercial insurance, based solely on the network participation of the ordering physician while preserving evidence based high quality care and healthcare affordability.
2. Our AMA will collaborate with other physician organizations to develop resources, toolkits, and education to support out-of-network care models.

Citation: Res. 245, A-24

Out-of-Network Care D-285.962

Our AMA will develop model state legislation addressing the coverage of and payment for unanticipated out-of-network care.

Citation: Res. 108, A-17

Out of Network Coverage Denials for Physician Prescriptions and Ordered Services D-285.963

Our American Medical Association will pursue regulation or legislation to prohibit any insurer from writing individual or group policies which deny or unreasonably delay coverage of medically necessary prescription drugs or services based on network distinctions of the licensed health care provider ordering the drug or service.

Citation: Res. 119, A-15

Out of Network Restrictions of Physicians H-285.907

Our American Medical Association opposes the denial of payment for a medically necessary prescription of a drug or service covered by the policy based solely on the network participation of the duly licensed physician ordering it.

Citation: Res. 126, A-15