Surprise Billing: What’s Happening?
A National Specialty Society Perspective

Katie Orrico, JD, Director, AANS/CNS Washington Office

OSMAP General Membership Meeting
November 15, 2019
Surprise medical bills horror stories dominated the headlines
Pressure was mounting for Congress to act.

- Initial legislative proposals were very problematic:
  - Median in-network benchmark payment rates
  - No independent dispute resolution
  - No payments based on charges
  - Single global payment OON care
  - Network matching

Medicine Needed to Come Together or Lose the Battle
Joining Forces to Influence Federal Surprise Medical Bills Legislation

- American Academy of Ophthalmology
- American Association of Neurological Surgeons
- American Association of Orthopaedic Surgeons
- American College of Emergency Physicians
- American College of Radiologists
- American College of Surgeons
- American Medical Association
- American Society of Anesthesiologists
- American Society of Plastic Surgeons
- College of American Pathologists
- California
- Connecticut
- Florida
- Massachusetts
- New York
- Texas
- And more…
A Comprehensive Advocacy Strategy

- Congressional & Policy briefings
- Fact Sheets/Issue Briefs
- Congressional testimony
- Grassroots Advocacy
- Communications/PR
- Joint lobbying visits
- Letters to Congress
- Public Outreach
- Public Opinion
- Political Action
Countless Letters to Congress
Congressional Testimony

Statement

Re: Protecting Patients from Surprise Medical Bills

Presented by: S. Bobby Mukkamala, MD
Member: AMA Board of Trustees

May 21, 2019

Division of Legislative Counsel
(202) 682-7426

Statement for the Record on behalf of the American Association of Neurological Surgeons and the Congress of Neurological Surgeons before the Ways and Means Subcommittee on Health U.S. House of Representatives on the topic of Protecting Patients from Surprise Medical Bills

Tuesday, May 21, 2019 2:00 p.m.
1100 of the Longworth House Office Building

Contact: Kate D. Ortiz, Director
AMA/CEO Washington Office
2500 Massachusetts Avenue, NW
Suite 200
Washington, DC 20010
(202) 789-7426
kortiz@ama-assn.org

House Energy and Commerce Committee
Health Subcommittee
U.S. House of Representatives

Hearing on “No More Surprises: Protecting Patients from Surprise Medical Bills”
Presented
June 12, 2019
THE FACTS
ABOUT SURPRISE MEDICAL BILLS

More than half (50%) of U.S. adults report receiving a bill for medical services they thought were covered by insurance, according to a 2016 survey by the NORC at the University of Chicago. Surprise medical bills occur when patients receive pre-authorized health care services from providers outside of their insurers’ networks, particularly during medical emergencies. As health insurers adopt innovative strategies, like transparency and price negotiations, to reduce patient financial burdens, comprehensive solutions that leverage patient and insurer data are necessary to combat these issues.

ISSUE BRIEF
Provider Consolidation Increases Health Care Spending

This issue brief explores one aspect of the trend of consolidation that has characterized the health care market in recent years. As hospital systems and equity firms acquire physician practices, the trend towards consolidation could have significant implications for patients and the system. This brief aims to provide a comprehensive overview of the dynamics of provider consolidation and its potential impacts on health care spending.

Fact Sheets & Issue Briefs

Surprise Medical Billing: Myth vs. Fact

Surprise Medical Billing: Myth vs. Fact

What is a Surprise Bill?

Billions of people each year are at risk for emergency care services and receive a bill for services they believed were covered by their insurance. In an emergency situation, a patient may not have the option to go to an in-network facility. Instead, the emergency department physician might choose to bill the patient for the out-of-network facility, which could result in a substantial bill for the patient.

HOW TO TACKLE SURPRISE BILLING

A Medical Dispute Resolution in New York can serve as an example.

ALTERNATIVE DISPUTE RESOLUTION (ADR) IN NEW YORK

In New York, the state has enacted a surprise billing policy that has proven successful. The New York law provides a framework for resolving disputes between patients and providers. Under the law, a patient can request an independent third-party resolution service to review the hospital’s billing for a denied charge. If the patient disagrees with the resolution service’s decision, the patient can request a second-level review.

MYTH

Many health plans provide rebates to an insufficient number of providers and lack the data on volume and economic conditions that can inform the negotiation of network contracts. hospitals and providers use these contracts to reduce costs, and often these contracts are kept secret.

FACT

Most patients prefer to be in-network. However, because of uninsured enrollment, health plans are incentivized to offer contracts with physicians, offering doctors “take it or leave it” contract terms. It is also common for health plans to drop physicians from their networks without notice or cause, leaving patients vulnerable.

Surprise Medical Billing: Myth vs. Fact

Surprise Medical Billing: Myth vs. Fact

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Myth: Many health plans provide rebates to a sufficient number of providers and lack the data on volume and economic conditions that can inform the negotiation of network contracts.

Fact: Most patients prefer to be in-network. However, because of uninsured enrollment, health plans are incentivized to offer contracts with physicians, offering doctors “take it or leave it” contract terms. It is also common for health plans to drop physicians from their networks without notice or cause, leaving patients vulnerable.

Reimbursement rates for out-of-network care may be significantly lower than the benchmark.
Answering the Opposition…

Coalition Against Surprise Medical Billing
Members include:

- America’s Health Insurance Plans
- Blue Cross Blue Shield Association of America
- American Benefits Council
- ERISA Industry Committee
- National Retail Federation
- National Business Group on Health
- National Association of Health Underwriters
- Society for Patient Centered Orthopedics

www.stopsurprisebillingnow.com
…With Regular Messages to the Hill

Sample messages:

- Surprise Billing: How IDR Work
- Surprise Billing: How NY Successfully Protects Patients
- New Report Questions CBO Assumptions on Surprise Medical Bills
- Report Warns of Unintended Consequences of Surprise Medical Bills Legislation
- Don’t Be Spooked by the Arbitration Process
- Did you see we’ve reached 100?
Public Outreach, Communications & Grassroots Advocacy

Website

Twitter

Facebook

Out of the Middle
@outofthemiddl e
Protecting patients from surprise medical bills. #OutOfTheMiddle
outofthemiddle.org
 Joined June 2019
287 Following 189 Followers

Tweets Tweets & replies Media Likes
81% of Americans believe insurance companies should pay for surprise medical bills.

69% of Americans prefer Independent Dispute Resolution (IDR) over allowing the government to set rates.

Protect patients from surprise bills
ACT NOW
Polling

AMERICANS ARE FEELING THE FINANCIAL SQUEEZE FROM INSURANCE COMPANIES

59% of adults agree that they wish their insurance company provided plans with lower deductibles so they could better afford the healthcare they need.

AND WHEN IT COMES TO SURPRISE MEDICAL BILLING

81% of patients believe insurance companies should pay for surprise medical bills. Adults believe the responsibility for a majority of costs associated with surprise medical billing lays with insurance providers (41%) rather than hospitals and doctors (16%) or patients (4%).

PATIENTS WANT SOMETHING DONE AND HAVE STRONG BELIEFS ABOUT WHAT THAT SOLUTION IS

69% of adults prefer third-party resolutions over allowing the government to set rates.

VOTERS, ESPECIALLY THOSE IN SMALL COMMUNITIES, ARE CONCERNED ABOUT THE EFFECTS OF RATE SETTING

63% of adults are concerned about the effects of government rate setting on small communities that already face hospital and doctor shortages.

AND THEY ARE ASKING CONGRESS TO DO THE RIGHT THING

67% of Americans agree: Congress must protect access to healthcare for millions of Americans in rural communities.

MORNING CONSULT POLL SURVEYED 1500 REGISTERED VOTERS MAY 31-JUNE 1 WITH A MARGIN OF ERROR +/-3%
Bipartisan Solution to Surprises Medical Bills Reaches 100 Cosponsors

UPDATE

FOR IMMEDIATE RELEASE

July 25, 2019

Katie Durst
(202) 225-4224
kmdurst@nchealth.org

Neurosurgeons Express Support for Reps. Ruiz and Bonenfel Effort to Amend the “Surprise Medical Act” as Independent Dispute Resolution Process is Critical Element of any Legislation Designed to Address Unconscionable Medical Bills.

The following statement is attributed to:

Ann B. Nedwich, MD, Chair, American Society of Neurosurgeons

“The American Association of Neurological Surgeons and the Congress of Neurological Surgeons are pleased to support the amendment to HB 5114, the “Surprise Medical Act” which incorporates an independent dispute resolution (IDR) process to resolve payment disputes between health plans and providers in surprise medical bill scenarios. We appreciate the leadership of Reps. Ruiz Ruiz, MD, (D-36) and Laura Bonenfel, MD, (D-35) and their tireless efforts to protect patients from unconscionable medical bills, which in the meantime creates a more level playing field that incentivizes insurers to compensation physicians at reasonable costs. We also thank Sen. Barden and House Committees Chair Frank Falcone (R-32) and Ranking Member Greg Walker (R-31) who are working collaboratively to resolve this issue. The AANS and CNS look forward to working with members of Congress as a final solution that provides stronger patient protections, transparent payment access to appropriate medical care, and ensures incentives for insurers and health care providers to negotiate fair and reasonable contracts in good faith.”

Congress, Don’t Harm Patients With The Wrong Surprise Medical Bills Solution

BYDXSTN\0C\PP\R\V\\N\R\S\\P\L\Ld\S\B\E\R\T\N\E\S\A\R\N\D\L\Y\S\T\R\S\I\N\G\R \C\O\N\S\E\R\U\S\E\D

BY DUSTIN CORCORAN & PHIL SUESS

July 2, 2019

Modern Healthcare

Independent dispute resolution process offers best fix for balance billing

October 30, 2018 5:10 AM ET

St. John’s Hospital

Throughout discussions, physicians have been steadfast in their commitment to taking patients out of the middle in a thoughtful way that ensures access to care.

There are many healthcare policy issues as pressing as finding a solution for out-of-network, or "surprise billing" to patients. Physicians believe an approach that provides the best care possible can work (that it's not possible when our care providers are afraid of getting a surprise bill for medical care they thought would be covered by their insurance).

In the past 10 years, insurance companies have been steadily increasing their deductibles, leaving patients on the hook for upwards of thousands of dollars before coverage even kicks in. In addition, insurance has cut plans without sufficient in-network care providers, also called "network trigger." Network triggers, combined with high deductibles, are often the cause of surprise medical bills.

Thorough discussions, physicians have been steadfast in their commitment to taking patients out of the middle in a thoughtful way that ensures access to care.

Independent legal protection must protect patients, first and foremost. If a patient receives uncompensated care in a network facility, they should only be responsible for in-network cost sharing. This protection should apply to copays, coinsurance, and deductibles.

Connecticut should look to New York for ‘surprise’ medical bill solution

BY DUSTIN CORCORAN

July 1, 2019 6:04 AM ET

Motivational Consult

Consider any patient who was diagnosed with cancer and was treated in a potentially blinding inflammatory condition of the eye that requires repeated management and frequent office visits. For months, she repeatedly canceled an important follow-up because she couldn’t afford the room. Although she had insurance coverage, she paid out of pocket for a high deductible. In the end, she covered the entire course of therapy because her plan never kicked in to protect her from out-of-pocket costs.

No one should have to delay or forgo medical care because of a surprise medical bill. This month, Congress continues to discuss the surplus, reauthorization, which will ultimately lead to bipartisan legislation and a new federal law: Congressional physicians are pleased that Congress is moving to remove financial burden for surprise medical bills that have significant and lasting consequences for patients and insurance companies will be reimbursed.

The approach Connecticut’s congressional delegation should support needs to establish a fair and balanced process encouraging cooperation and preventing access to critical services like eye emergency and on-call surgical care. Most importantly, it must address the root cause of surprise medical bills by promoting more certain insurance networks of doctors and greater transparency through independently calculated rates.

The Hartford Courant
Political Action
Legislation modeled after New York’s successful law introduced in the House & has **100+ cosponsors**.

- **H.R. 3502**, the Protection People from Surprise Medical Bills Act => Raul Ruiz, MD, (D-CA) & Phil Roe, MD, (R-TN)

Legislation with an independent dispute resolution (IDR) process has passed out of the House Energy and Commerce Committee => though it is **less than ideal** (e.g., $1,250 threshold to go to IDR)

- AMA & specialties are redlining the bill so our champions can use medicine’s suggested edits in negotiations w/Ed & Labor Committee and others
Legislation is **Stalled** in Both House and Senate

- **Ways and Means** Committee trial balloon (negotiated rulemaking) fell flat
- **Education and Labor** Committee has yet to schedule a mark-up
- Negotiations between Sens. **Lamar Alexander** (R-TN) and **Bill Cassidy**, MD, R-LA) appear to have ceased
- **Senate HELP** and **House Energy and Commerce** Committees trying to find a compromise solution
- **Time is running out for Congress to act this year**

Efforts to shape legislation to reflect NY model continue
To be continued...
Thank You!