

Surprise Medical Billing – June 2016

What is “surprise medical billing?”

Surprise billing happens when you are treated by a medical provider at a hospital or facility that you *believe* is in your health plan's network. On top of paying your expected out-of-pocket costs, you're *also* charged the difference between what your insurer has agreed to pay your provider and what your provider believes the service was worth. This amount could be hundreds or thousands of dollars.

Surprise billing is also referred to as “balance billing,” however, some balance billing is *not* a surprise. For example, if you seek care from a provider that you know is not covered by your plan, you would not be surprised when you receive a bill for their services, on top of what your plan covers.

Where does surprise billing occur?

Medical services provided at an in-network facility

For example, you may go to a covered hospital or clinic and see a covered provider, but *also* receive treatment or services from an out-of-network provider such as:

- Anesthesiologists, radiologists, pathologists
- Lab or imaging services

Emergency Services

If a hospital-based physician does not contract with the same insurance plans as the hospital, the consumer may still be balance billed for out-of-network services even if the hospital is an in-network facility.

The surprise occurs because the consumer is not aware they were treated by an out-of-network provider until they get a bill.

How people are impacted

Consumers Union [surveyed Washington consumers](#) who received a surprise medical bill last year and found that 14 percent were charged at an out-of-network rate when they thought a provider was covered by their plan.

Consumers from across the state have contacted us about visiting hospitals or facilities they *knew* were covered by their health plan, yet, they received surprise medical bills from providers who were not in

their plan's network. Many times these bills are for hundreds and thousands of dollars on top of their *expected* out-of-pocket costs.

Last year, the American College of Emergency Physicians reviewed 750,000 patient visits at Washington hospitals last year and found that surprise billing occurs *only* about three percent of the time – but three percent represents more than 22,000 Washington consumers.

National solutions

At least 13 states restrict surprise balance billing, including New York, Florida, and Colorado. And several other states, including Pennsylvania are actively working on solutions.

Key components of the various solutions include:

- Taking consumers out of the billing dispute, and
- Implementing a dispute resolution process for providers and insurers to settle payment issues.

Washington state's approach

Commissioner Mike Kreidler believes consumers should not be caught in the middle of billing disputes between insurers and providers. He sees that as health care costs increase and insurers move towards narrower networks, there's a growing potential for people to be harmed by surprise balance billing.

Last year, he introduced [HB 2447](#) which would have protected people from getting a surprise medical bill when they sought *emergency services* from an in-network facility, but were treated by an out-of-network provider. Any billing disputes between the health insurer and the provider would have been settled through arbitration.

Now, building on other states' efforts, he's looking at solutions that address surprise balance billing for medical services beyond those that only are related to an emergency.

He is committed to working with stakeholders on a solution that works for Washington state, with the intent of proposing legislation again in January 2017.

Share your surprise billing story

If you or someone you know has been impacted by surprised medical billing, we'd like to hear from you. Please email your story to PublicAffairs@oic.wa.gov and also let us know if we can use your story to help spread awareness of this issue. To track our activities and see how you can help, visit www.insurance.wa.gov and look for *Current Issues* and then, *surprise billing*.