

## Surprise Medical Bills Gain National Attention

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No one wants to be faced with a large, unexpected medical bill after receiving health care services. Unfortunately, patients often find themselves in this situation after seeking emergency treatment or transportation, undergoing a surgical procedure, or even the birth of a child. These “surprise medical bills” occur when the patient goes to a hospital or facility that is “in-network” with the patient’s health plan, but the physician providing the services is not and is considered “out-of-network” or “OON.” This can play out in several circumstances, including:

- A patient living in a remote area needs immediate transportation to a medical center. The air ambulance that arrives is an OON provider, but the patient is not able to choose a different transportation service, nor can he wait, so he boards the air ambulance. The patient’s health plan pays the air ambulance according to the plan’s policy for OON providers, typically a percent of the total bill. The air ambulance then bills the patient for the remaining balance of the bill, a practice known as “balance billing.”
- A patient goes to an in-network hospital to deliver a baby. During the course of labor, an anesthesiologist comes in to place an epidural. The patient later learns that the anesthesiologist is OON, even though the anesthesiologist provided service to the patient while in an in-network hospital. The plan pays the anesthesiologist a percent of the total bill and the patient is balance billed.

Several states, including [California](#), Florida, [New Jersey](#), and [New York](#), have taken action to address surprise medical bills and balance billing. Many other states have proposed legislation to address the issue. Under most of these laws and legislation, patients are held harmless from paying surprise bills when they unknowingly receive treatment from an OON provider. The legislative debate revolves around what it means to “unknowingly receive treatment from an OON provider” and how much the OON provider should be paid.

This issue found its way back to the national stage this week, with several important highlights:

- Bloomberg Law reports that Senators Bennet, Cassidy, and Hassan are expected to unveil new legislation is expected in the Senate in the coming weeks. The discussion surrounding how to address surprise bills is ongoing, but the proposed bill is expected to prevent balance billing and require arbitration for payment between the provider and plan.
- The GAO released a [report](#) finding that balance billing may pose a financial risk to privately insured patients who receive air ambulance services.
- AHIP sent a [letter](#) to Congress seeking bipartisan support for legislation that would prohibit surprise bills in certain circumstances, require facilities and providers to disclose network status and obtain consent for OON treatment, set reasonable reimbursement rates, and avoid arbitration.
- The Brookings Institution sent a [letter](#) to the Senate HELP committee recommending Congress prohibit independent physician billing for emergency, ancillary, and hospitalist services, and to consider options to address surprise billing by OON emergency departments and ambulances.



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Of course hospitals, providers, and health plans are all interested in this debate, which we will continue to watch closely.

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