Patients, physicians, and policymakers are deeply concerned about the impact that unanticipated medical bills are having on patient out-of-pocket costs and the patient-physician relationship. Health insurance plans are increasingly relying on narrow and often inadequate networks of contracted physicians, hospitals, pharmacies, and other providers as one mechanism for controlling costs. As a result, even those patients who are diligent about seeking care from in-network physicians and hospitals may find themselves with unanticipated out-of-network bills from providers who are not in their insurance plan’s network, simply because they had no way of knowing and researching in advance all the individuals who are ultimately involved in their care. Physicians and other providers are limited in their ability to help patients avoid these unanticipated costs because they, too, may not know in advance who will be involved in an episode of care, let alone other providers’ contract status with all the insurance plans in their communities.

As Congress develops potential legislation to provide relief to patients from health care costs that their insurance will not cover, we urge your consideration of the following policies.

- **Insurer accountability.** Since overly narrow provider networks contribute significantly to this problem, 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, so that insured patients are not liable for unexpected costs simply because they were unable to accurately self-diagnose ahead of time whether their symptoms were, in fact, due to an emergency medical condition.

- **Limits on patient responsibility.** Patients should only be responsible for in-network cost-sharing rates when experiencing unanticipated medical bills.

- **Transparency.** All patients who choose in advance to obtain scheduled care from out-of-network physicians, hospitals or other providers should be informed prior to receiving
care about their anticipated out-of-pocket costs. When scheduling services for patients, providers should be transparent about their own anticipated charges, and insurers should be transparent about the amount of those charges they will cover.

- **Universality.** In general, any federal legislation to address unanticipated out-of-network bills should also apply to ERISA plans.

  - **Setting benchmark payments.** In general, caps on payment for physicians treating out-of-network patients should be avoided. If pursued, guidelines or limits on what out-of-network providers are paid should reflect actual charge data for the same service in the same geographic area from a statistically significant and wholly independent database. They should not be based on a percentage of Medicare rates, which have become increasingly inadequate in covering overhead costs, nor should they be based on in-network rates, which would eliminate the need for insurers to negotiate contracts in good faith. Any prohibition, whether state or federal, on billing from out-of-network providers not chosen by the patient should be paired with a corresponding payment process that is keyed to the market value of physician services.

- **Alternative dispute resolution.** Legislation should also provide for a mediation or sequential alternative dispute resolution (ADR) process for those circumstances where the minimum payment standard is insufficient due to factors such as the complexity of the patient’s medical condition, the special expertise required, comorbidities, and other extraordinary factors. ADR must apply to states and ERISA plans. Arbiters should not be required to consult in-network or Medicare rates when making final determinations regarding appropriate reimbursements.

  - **Keep patients out of the middle.** So that patients are not burdened with payment rate negotiations between insurers and providers, physicians should be provided with direct payment/assignment of benefits from the insurer.

The problem of unanticipated out-of-network bills is complex, and requires a balanced approach to resolve. In addition to providing strong patient protections, we believe the principles set forth above would improve transparency, promote access to appropriate medical care, and avoid creating disincentives for insurers and health care providers to negotiate network participation contracts in good faith.

We appreciate your consideration of these policies and look forward to working with you on these matters.
American Academy of Ophthalmology
American Academy of Otolaryngic Allergy
American Academy of Otolaryngology—Head and Neck Surgery
American Academy of Pain Medicine
American Academy of Pediatrics
American Academy of Sleep Medicine
American Association of Child and Adolescent Psychiatry
American Association of Clinical Urologists
American Association of Gynecologic Laparoscopists
American Association of Hip and Knee Surgeons
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Allergy, Asthma and Immunology
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American College of Radiation Oncology
American College of Radiology
American College of Surgeons
American Epilepsy Society
American Gastroenterological Association
American Orthopaedic Foot & Ankle Society
American Osteopathic Association
American Psychiatric Association
American Society for Clinical Pathology
American Society for Dermatologic Surgery Association
American Society for Gastrointestinal Endoscopy
American Society for Radiation Oncology
American Society of Anesthesiologists
American Society of Breast Surgeons
American Society of Clinical Oncology
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American Society of Echocardiography
American Society of Hematology
American Society of Nuclear Cardiology
American Society of Retina Specialists
American Urological Association
American Academy of Ophthalmology
College of American Pathologists
Congress of Neurological Surgeons
International Society for the Advancement of Spine Surgery
Medical Group Management Association
National Association of Medical Examiners
National Association of Spine Specialists
North American Neuro-Ophthalmology Society
Obesity Medicine Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Cardiovascular Computed Tomography
Society of Critical Care Medicine
Society of Hospital Medicine
Society of Thoracic Surgeons
The Obesity Society

Medical Association of the State of Alabama
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Medical Society of Delaware
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Medical Association of Georgia
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Idaho Medical Association
Illinois State Medical Society
Indiana State Medical Association
Iowa Medical Society
Kentucky Medical Association
Maine Medical Association
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Minnesota Medical Association
Mississippi State Medical Association
Missouri State Medical Association
Montana Medical Association
Nebraska Medical Association
Nevada State Medical Association
New Hampshire Medical Society
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New Mexico Medical Society
Medical Society of the State of New York
North Dakota Medical Association
Ohio State Medical Association
Oregon Medical Association
Rhode Island Medical Society
South Dakota State Medical Association
Tennessee Medical Association
Utah Medical Association
Vermont Medical Society
Medical Society of Virginia
Washington State Medical Association
Wisconsin Medical Society
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