

Protect Texans From Freestanding Emergency Rooms

Texas freestanding emergency rooms (FSERs) are a relatively new, lucrative business mode. They mislead patients about how much they cost and whether they are in-network, which causes huge health care costs for Texans and Texas businesses. FSERs are some of the worst offenders when it comes to surprise balance billing, outrageous high prices and misleading information. In fact, 83% of all out-of-network emergency room services occur at FSERs.

Because FSERs usually look like urgent care centers, patients tend to visit them for care for minor, non-emergency conditions. The problem is that FSERs are rarely in-network, and they charge emergency care prices. In most cases, patients who receive care at FSERs could have been treated at a significantly lower cost in a different facility.

These unnecessary high prices and surprise balance bills drive up the cost of health care and insurance premiums for all Texans. FSERs are responsible for more than \$3 billion in unnecessary health care costs in Texas each year.

Chronically Out-of-Network FSERs Put Texans at Risk of Surprise Billing

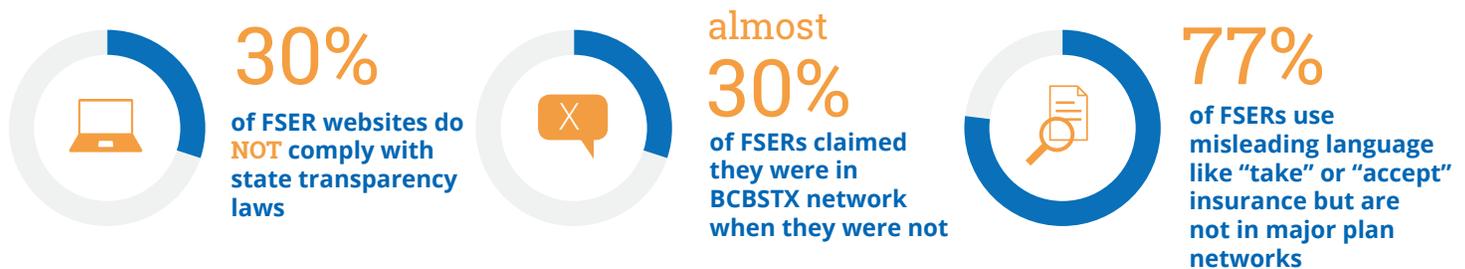


TAHP Position:

- TAHP supports protecting Texans from outrageous billing practices by increasing pricing and network status transparency in FSER advertising.
- TAHP supports holding FSERs accountable for price-gouging and deceptive advertising.
- TAHP supports banning FSER charges for emergency care fees for urgent care and physician office services.
- TAHP supports protecting Texans from FSER surprise balance billing by ending surprise billing for all emergency care.

Freestanding ERs Intentionally Mislead Texans

A recent AARP investigation found that FSERs are not following Texas transparency laws. Instead, they are misleading Texans about being in network and putting them at risk for surprise billing. FSERs use confusing advertising and language like “take” or “accept” that misleads patients into believing they accept their insurance plans for full payment, but, in reality, they are chronically out of network and consumers are at extreme risk of receiving surprise medical bills. The AARP investigation found 30% of Texas FSERs were not complying with state transparency laws, and more than 60% were using misleading and confusing language.



Source: AARP, *The Truth About Freestanding ERs*, 12/18.

FSERs Don't Improve Access to Care

It may seem like having more medical facilities in more places can only be good for improving access to health care in Texas, but that is not the case for FSERs. Texas FSERs are usually located in areas where there are a lot of other options for care, including hospital-based ERs and doctors' offices—not in areas of Texas where there is reduced access to care.

Freestanding ERs Charge Emergency Care Prices for Non-Emergency Services

Though FSERs tend to have the same look and feel as urgent care centers, many consumers are unaware that, unlike urgent care centers, FSERs are chronically out of network and can charge patients up to 22 times what they would pay for the same service at a physician's office and 19 times what they would pay at an urgent care center. In Texas, the average cost of an FSER medical visit for a common condition that should have taken place in a non-emergency setting is \$3,000 compared to about \$150 at an urgent care or physician's office visit. More than nine out of ten patients who receive care at an FSER could have been treated at a significantly lower cost in a different facility. These unnecessary high prices and surprise balance bills drive up the cost of health care and insurance premiums for all Texans.

The 5 Most-Treated Diagnoses at Texas FSERs Are Not Emergencies

Only **2.3%** of FSER visits are emergencies that require ER care

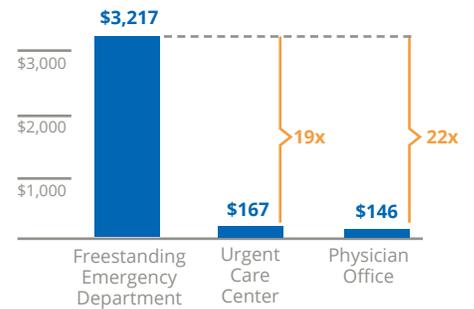
As a result, patients receive very expensive surprise medical bills for services that cost very little to treat.

The Top 5 Types of FSER Visits in Texas Could Have Easily Been Treated in Lower-Cost Settings Such as a Physician Office or Urgent Care Center

Top 5 Diagnoses at Texas FSERs, 2016

Rank	Primary Diagnosis
1	Fever
2	Acute Bronchitis
3	Acute Pharyngitis (Sore Throat)
4	Acute Upper Respiratory Infection
5	Cough

Average Cost for Common Conditions by Site of Care, 2016



FSERs Drive Up Health Care Costs for All Texans

Almost all care received at FSERs could have been given in doctor's office or an urgent care center for a much lower price. Many times, FSERs cost even more than traditional ERs for the same services. The sticker shock is alarming. Insurers are forced to pay higher prices for many health care services at FSERs that could have been dealt with at much lower cost. Those unnecessary medical costs get passed on to all Texans in higher premiums. FSERs are responsible for more than \$3 billion in unnecessary health care costs in Texas every year.

Case Study

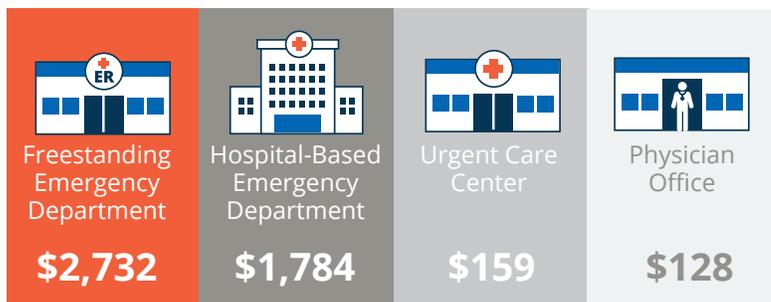
The cost of treating strep throat at a Texas FSER:

21 times higher than at a physician office

17 times higher than at an urgent care center

53 percent more than at a hospital-based ED

STREP THROAT



Savings Potential from Shifting 1 Million Visits to Physician Offices and Urgent Care Centers, in Billions

