

Protect Texans Against Price-Gouging in Emergency Medical Situations – Bill Gives State Authority to Protect Consumers From Being Exploited by FSERs

Freestanding ERs (FSERs) are a relatively new, lucrative business model that is leaving patients with sticker shock from outlandishly expensive medical bills. Texans continue to experience confusion and frustration with misleading advertising and exorbitant prices when they seek care from freestanding ERs. Many of these facilities have demonstrated a pattern of withholding important information from patients regarding their network status or the exorbitant fees they will charge for their services.

FSERs often use confusing advertising to intentionally mislead patients into believing they accept their insurance plans for full payment, but in reality, most choose not to be in network in order to charge higher prices. Patients often get slapped with a bill that can be 20x what an urgent care center would charge for the same services. In Texas, FSERs are responsible for over 83% of all ER out-of-network facility services, leaving patients stuck with expensive surprise medical bills, often for thousands of dollars.

TAHP Supports Pro-Consumer HB 1941 by Phelan

HB 1941 would help ensure that Texans are protected against price-gouging in personal emergency medical situations. Many Texans are being price-gouged by FSERs at a time when they need it least — in an emergency medical situation. One Texan recently received an astronomical \$71,000 total bill from an FSER for eight stitches. Under current state law, Texans are protected against price-gouging in natural disasters; the same should apply in emergency medical situations. FSERs should not be permitted to exploit Texans for financial gain in times of crisis.

Specifically, HB 1941 Would:

- Base the protection for medical emergencies on the current statutory provision addressing the sale of necessities such as fuel, food or medicine at exorbitant or excessive prices in a natural disaster situation.
- Use the definition of “medical emergency” already adopted in the Insurance Code and the Health and Safety Code and allow the Texas Attorney General to pursue FSERs that charge unconscionable prices.
- NOT set a price or ceiling. It would only grant authority to the AG to take action on prices above a certain threshold.
- Grant the AG the authority to take action to protect consumers who are victims of price-gouging in a medical emergency as in declared natural disasters, unless the price alleged to be unconscionable is less than 200% of the average charge.
- Allow the AG discretion in seeking a restraining order or monetary penalties (up to \$20,000 per violation with a potential additional amount if an elderly person is the victim).
- NOT create a private cause of action.

Many Freestanding ERs Intentionally Mislead Texans

A recent AARP investigation found that many FSERs are not following Texas transparency laws. Instead, they are misleading Texans about being in network and putting them at risk for expensive surprise medical bills.



30%

of FSER websites do **NOT** comply with state transparency laws about their network status



almost **30%**

of FSERs, when asked, claimed they were in BCBSTX network when they were not



77%

of FSERs use misleading language like “take” or “accept” insurance but are not in major plan networks

Freestanding ERs Can Be 20x More Expensive Than Urgent Care Centers

75% Overlap



in services between Freestanding ERs and Urgent Care Facilities

Source: Annals of Emergency Medicine; Comparing Utilization and Costs of Care in Freestanding Emergency Departments, Hospital Emergency Departments, and Urgent Care Centers; 12/17.

The Real Pain of Visiting a Freestanding ER: \$3K for Strep Throat

There is nothing “free” about your neighborhood freestanding ER. Freestanding ERs charge up to 20X more than urgent care centers for the same services.

STREP THROAT

<p>Freestanding Emergency Department</p> <p>\$2,732</p>	<p>Hospital-Based Emergency Department</p> <p>\$1,784</p>	<p>Urgent Care Center</p> <p>\$159</p>	<p>Physician Office</p> <p>\$128</p>
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Source: UnitedHealth Group; Freestanding Emergency Departments: Treating Common Conditions at Emergency Prices; 12/17.

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

Real Examples of Misleading Information and Advertising at FSERS

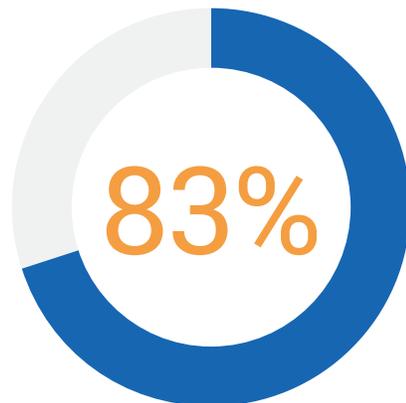


All Health Insurance Plans Accepted

We honor in-network billing for all private health insurance plans including: Aetna, UnitedHealth, Humana, Cigna, and Blue Cross Blue Shield.

FSERs Are Chronically Out of Network

Putting Texans at Risk for Surprise Billing



of all Texas out-of-network ER facility claims occur at FSERs