

## Protect Texans From Surprise Medical Billing – End Surprise Billing in Emergencies and When Patients Do Not Choose Their Providers

Despite their best efforts, thousands of Texans are getting slammed with expensive and unexpected surprise medical bills, often for thousands of dollars. In an emergency, patients often must rush to the nearest ER. They usually have no ability to pick the doctors who treat them and do not know if those doctors are in their insurance network. It is nearly impossible for Texans to stay in-network for every service they receive in an emergency, even when they make sure they go to the right hospital. Surprise medical bills are a major problem nationally, but the problem is even worse in Texas. As it stands, 1 in 3 admissions to a Texas emergency room results in a patient receiving an expensive surprise medical bill, higher than the rest of the nation.

These unjustifiably high-priced and unexpected bills for medical treatment create tremendous financial burdens for families. In addition, Texas providers' inflated prices lead to health plans and employers paying far more for out-of-network services than the negotiated market rates, which increases costs for all Texans. Texas has already seen the increased costs and out-of-network problems with surprise billing. Texas' emergency care prices have almost doubled over the past four years, with prices increasing from 500 percent to 900 percent of Medicare. Meanwhile, more than 44 percent of ER physicians are out of network, and Texas now has the most expensive emergency care prices in the country.

Patients should never be financially penalized when they receive care from an out-of-network provider they did not choose. In these circumstances, providers should be prohibited by law from billing patients for costs not covered by their health plan. Instead, health plans, doctors and hospitals should be held responsible for initiating mediation and using Texas' system to reach an agreement on prices.

### SB 1264 Would Protect Consumers:

- Prohibits surprise billing and holds consumers harmless from surprise billing if they have commercial health coverage (HMO, EPO, & PPO) or ERS/TRS plans.
- Protects consumers from having to pay more than their applicable co-pay, coinsurance or deductible responsibilities from the first bill.
- Protects consumers' credit by prohibiting the issuance of a consumer report as a result of surprise billing, if the patient had health coverage.
- Reduces out-of-pocket costs for consumers.
- Protects consumers and employers from premium increases and high out-of-pocket costs from excessive billing and charges in Texas.
- Relies on private market negotiations instead of a government-mandated payment standard or single-payer standard.
- Forces medical providers and health insurers to mediate payment disputes instead of sending these bills to patients.

### SB 1264 Protections Only Apply to Surprise Billing:

SB 1264's protections only apply when patients cannot reasonably choose their providers.

- When patients are treated by out-of-network providers in an emergency.
- When patients are treated by out-of-network providers at an in-network facility.

# Texas Still Has a Surprise Billing Problem, Particularly in the ER

**Surprise Bills Are Inevitable in Texas.** In an emergency, it is nearly impossible for Texans to stay in-network for every service they receive, even when they make sure they go to a network hospital. **In fact, more than 65% of out-of-network ER doctor claims occur at network hospitals.**

## Surprise Billing is Worse in Texas

**1 in 3** ER admissions in Texas results in a **surprise bill**, while the national average is only **1 in 5**

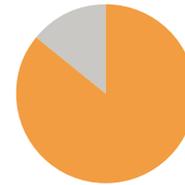


## Consumers Are Powerless in an Emergency



**300** of the **407** hospitals in Texas have **NO** network ER doctor for the three major health plans

## Freestanding ERs Are Part of the Problem

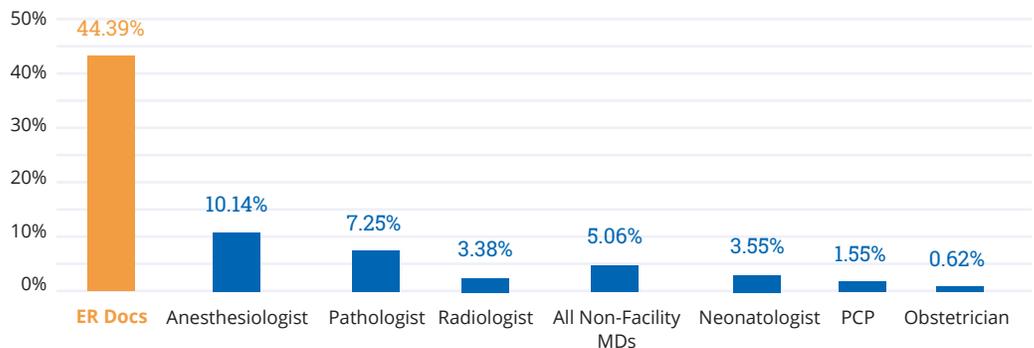


**83%** of out-of-network ER facility claims in Texas are caused by freestanding ERs

## Texas Has a Chronic Out-of-Network ER Problem

Almost **50%** of Texas ER doctor claims are out-of-network, substantially higher than all other types of doctors

## Percent of Texas Out-of-Network Physician Claims by Provider Type

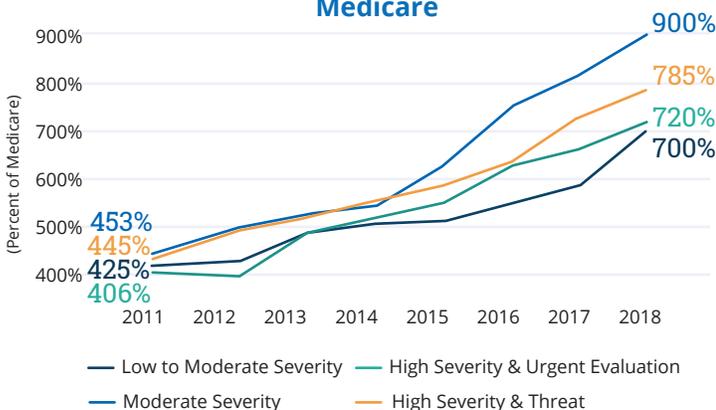


Sources: TAHP, Survey of Out of Network Claims for PPOs in 2017 for BCBSTX, UnitedHealthcare and Aetna, 01/19. Health Affairs, One In Five Inpatient Emergency Department Cases May Lead To Surprise Bills, 01/07. Center for Public Policy Priorities, A Texas-Sized Problem, 02/17.

## Surprise Billing Drives Up Costs for All Texans

### Texas' Emergency Care Prices

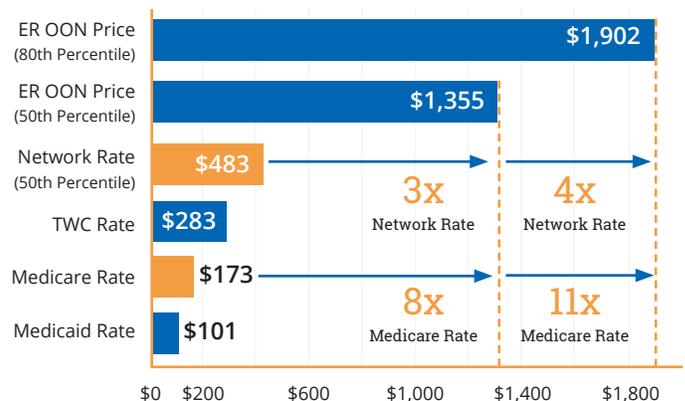
have almost doubled over the past four years — with prices increasing from 500% to 900% of Medicare



Source: FAIR Health, 50th Percentile of FAIR Health 2011-2018, Texas ER Physician Prices as a Percent of Medicare, 2018. Data copyright © 2018, FAIR Health, Inc. All rights reserved. Used by permission. Copying, use and further distribution prohibited.

### Texas' Out-of-Network Emergency Care Prices

are extremely high compared to what is usually accepted in the market



Source: FAIR Health, FAIR Health Texas ER Physician Prices, Texas ER Physician Payment and Prices: High Severity & Threat, 2018. Data copyright © 2018, FAIR Health, Inc. All rights reserved. Used by permission. Copying, use and further distribution prohibited.