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Surprise Out-of-Network Medical Bills Are Common, Especially in ERs

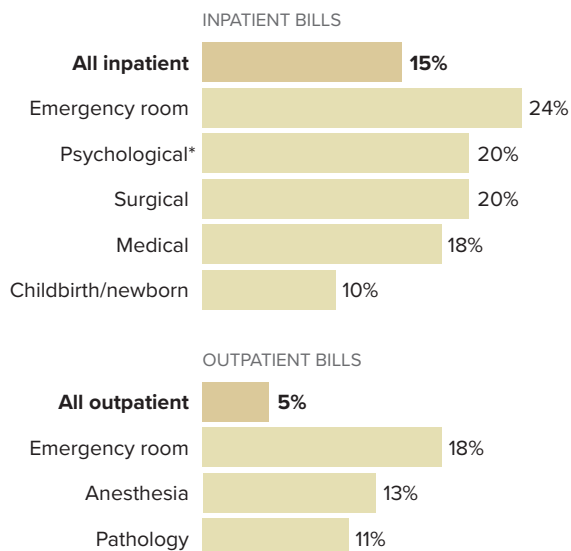
Many insurance plans limit their coverage to a particular network of hospitals and doctors, potentially leaving enrollees with the bill if they receive care from an out-of-network provider. But even if a particular hospital is in-network, patients might receive care from a physician who works at that facility but has declined to join that insurer's network — resulting in an unexpected out-of-network charge on the patient's bill.

A new Kaiser Family Foundation analysis of medical bills from large employer plans finds that 15 percent of inpatient admissions at in-network hospitals result in out-of-network charges. Bills for emergency care and substance use disorder treatment were particularly likely to result in such charges.

Surprise out-of-network bills can be costly. In a recent story published by Kaiser Health News, an insured patient in Texas received a surprise bill for \$108,951 after being treated in the ER for a heart attack. The hospital subsequently reversed the charge following media coverage.

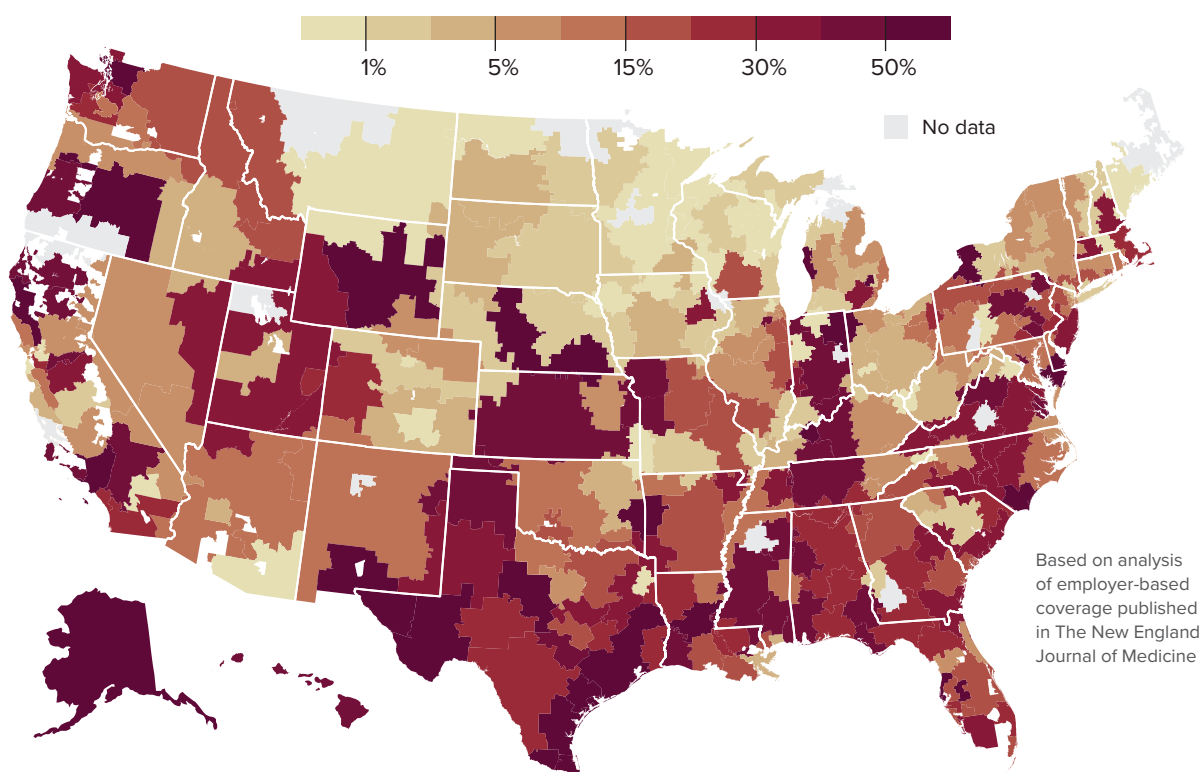
Share of medical bills from in-network facilities with out-of-network charges

Kaiser Family Foundation analysis of employer-based coverage



*Note: Category includes substance abuse treatment

Share of ER visits at in-network facilities with out-of-network physicians



Some State Laws Protect Patients From Surprise Out-of-Network Bills

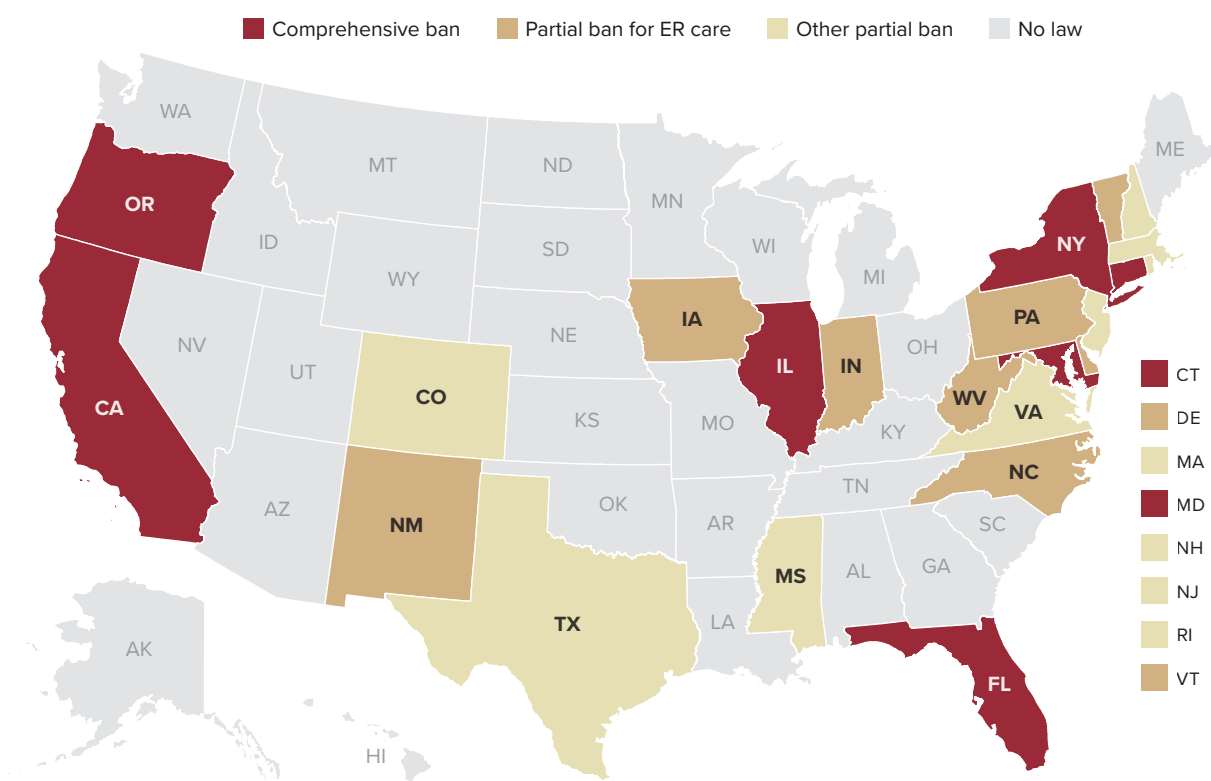
When an out-of-network charge is greater than the in-network rate that an insurer is willing to pay, many providers perform “balance billing” — accepting payment from the insurer but sending the patient a bill for the remaining unpaid cost.

At least seven states have laws that comprehensively prohibit providers from practicing balance billing altogether.

Other states have passed more limited measures to curtail the practice. Certain bans only apply to emergency room care, and some states instead require insurers to pay for any additional charges that result from unexpected out-of-network care.

Sources: Gary Claxton et. al., “An analysis of out-of-network claims in large employer health plans,” Peterson-Kaiser Health System Tracker; Kevin Lucia, Jack Hoadley and Ashley Williams, “Balance Billing by Health Care Providers,” Commonwealth Fund; Zack Cooper and Fiona Scott Morton, “Out-of-Network Emergency-Physician Bills — An Unwelcome Surprise,” New England Journal of Medicine

State laws prohibiting “balance billing” for out-of-network care



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