



## **Georgia Watch Supports Surprise Billing Legislation**

Georgia Watch supports surprise billing legislation to protect Georgia consumers from unexpected out-of-network medical costs in an emergency or during a planned procedure.

### **What is a surprise medical bill?**

A surprise medical bill can occur in any situation where a consumer's health plan covers less than expected. A surprise out-of-network medical bill occurs when an insured consumer inadvertently encounters out-of-network providers at an in-network facility during the course of their care. The consumer is then responsible for the excess medical costs of the out-of-network provider. These bills often occur in a hospital or ambulatory care facility where anesthesiologists, surgical assistants, emergency room or other specialty care providers are generally contracted, and not hospital employees. These providers do not necessarily participate in all of the same insurance plan networks as the facility in which they work. Consumers are not required to receive advance notice that they could encounter an out-of-network provider or any estimate of what the cost of that care might be. Consumers could receive surprise out-of-network medical bills in the following scenarios:

- When they seek care at an emergency room at an in-network hospital and are unaware that some of the contracted providers are outside of their insurance plan network.
- When they have a planned procedure at an in-network hospital and certain hospital-based providers involved in the procedure, such as anesthesiologists or surgical assistants, are outside of their insurance plan network.
- When lab work or ultrasound tests are sent to out-of-network lab companies or radiologists.

### **How many consumers are impacted by surprise medical bills?**

According to a representative survey of 407 Georgia residents conducted by Consumer Reports National Research Center, 41% of privately insured Georgia residents received a surprise medical bill where their health plan paid less than expected in the past two years. Of those that received a surprise medical bill, 11% were charged at an out-of-network rate when they thought a provider was in-network.<sup>1</sup>

### **Out-of-network services are often significantly more expensive**

One state-by-state study conducted by America's Health Insurance Plans (AHIP) noted that average medical bills submitted by out-of-network providers were 10, 20, and sometimes 100 times higher than Medicare reimbursement for the same service performed in the same geographic area. The report highlighted findings from Georgia, such as out-of-network service charges for radiation therapy that were, on average, 500% higher than the Medicare fee.

### **What can be done?**

Several states have passed laws containing surprise billing protections, and legislation protecting consumers is currently being considered in the U.S. Congress (H 3770). In 2016, Senator Renee Unterman (R- Buford) introduced "The Surprise Billing and Consumer Protection Act" (SB 382), to combat the issue in Georgia. While the bill did not pass, a Senate study committee was created to delve deeper into the topic and report their findings to legislators before next Session.

1. ConsumersUnion, *Consumer Reports Survey Finds Forty-One Percent of Georgians Received Surprise Medical Bill* (2016), <http://consumersunion.org/news/consumer-reports-survey-finds-forty-one-percent-of-georgians-received-surprise-medical-bill/> (last visited May 25, 2016).
2. America's Health Insurance Plan, *Charges Billed By Out-Of-Network Providers: Implications For Affordability* (2015), <https://www.ahip.org/charges-billed-by-out-of-network-providers-implications-for-affordability/> (last visited May 25, 2016).