



Texas Hospitals Support Eliminating Surprise Medical Bills and Protecting Hospitals' In-Network Status

As Congress pursues a legislative solution to surprise billing, Texas hospitals urge lawmakers to be aware of unintended consequences and protect private negotiation and limit government interference in the market.

A new Texas state law can serve as the model for the nation by protecting patients and private negotiations between health plans and hospitals.

Building on Texas hospitals' long history of support for protecting patients and expanding the scope of state law on surprise billing, this year, during the 86th Texas Legislature, Texas hospitals supported Senate Bill 1264 that will:

- Implement strong consumer protections by eliminating surprise billing of patients for emergency or unplanned out-of-network health care.
- AND
- Ensure hospitals and health plans can continue to negotiate a fair, appropriate and market-responsive reimbursement amount unhampered by artificial, government-set rate parameters.

Why do hospitals support surprise billing protections?

Receiving an unexpected bill after an emergency, and the shock, distress and anxiety that it can cause undermine a patient's recovery and road back to good health. Such action contravenes the covenant that hospitals and their care providers forge with their patients to do no harm.

Hospitals, unlike physicians, traditionally have been in-network with health insurance plans. However, as more "narrow network" plans emerge -- for example, in the health insurance exchanges -- more patients are finding themselves constrained in choice of and access to an appropriate network of hospitals, even in an emergency. These narrow networks limit patients' access to emergency care; patients should be protected from medical bills for care received, over which they had no control or choice.

What protections do hospitals support?

- Protecting patients from unexpected bills for emergency or unplanned health care services.

Patients should not be held financially responsible beyond their known cost-sharing obligations or bear the responsibility for serving as an intermediary between the health plan and health care provider(s) to settle an out-of-network bill.

- A fair and balanced negotiation between plans and providers that is not limited by any kind of national reference pricing.

Whether the process for determining out-of-network payment is arbitration or mediation, it is essential that a legislative solution not disrupt market-based negotiations or unfairly advantage health plans.

Inserting government-set rate parameters into a private negotiation could disincentivize health plans from including hospitals as in-network providers and paying them fairly, ultimately limiting patients' access to care. If plans would rather pay hospitals for an out-of-network claim because the government has set that payment amount lower than what would be paid for an in-network claim, they have little incentive to negotiate with hospitals to be in-network providers.

www.tha.org/surprisebilling

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