

# Setting the Record Straight on Freestanding Emergency Centers in Texas

## QUICK FACTS

### ON FREESTANDING EMERGENCY CENTERS



Freestanding emergency centers provide health care services for patients who may be experiencing emergent conditions; FECs often are not owned or operated by hospitals.



More than 60 percent of free-standing emergency centers in Texas are not owned and operated by a hospital.



Independent FECs are not required to comply with federal laws and regulations governing emergency care.



Hospital-owned FECs are subject to more state regulations and requirements because they are licensed as part of a hospital than independent FECs.



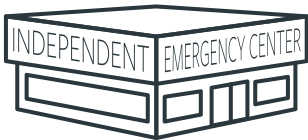
Only hospital-owned FECs can bill for care provided to patients covered through Medicare and Medicaid.



Hospital-owned FECs are fully clinically integrated with the parent hospital. Independent FECs are required only to have transfer agreements with an area hospital.

**Freestanding emergency centers are not hospitals,** and they are not urgent care centers. Rather, they are entities that are structurally separate from a hospital but are capable of delivering at least some level of emergency health care services 24-hours a day, seven days a week.

Texas has more FECs than any other state – 345. More than 60 percent of these FECs are not owned by or affiliated with a Texas hospital. The majority of FECs are owned and operated by for-profit, non-hospital entities. Independent FECs are subject to less stringent state and federal laws, regulations and licensing standards than hospital-owned FECs.



Part of Health Care Safety Net



Must Comply with Federal EMTALA Law



Participate in Medicare/Medicaid/TRICARE/



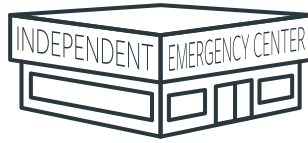
Subject to State Reporting Requirements for Hospitals



### HELPING TEXAS PATIENTS

**As the number of independent FECs grows exponentially in Texas, concerns are mounting about:**

- consumer confusion;
- differences in regulation and licensing;
- insurance network participation; and
- the potential that independent FECs exacerbate existing physician, nurse and allied health professional shortages, particularly in already underserved rural areas.



## Licensing

Subject to less stringent licensing and operational requirements because they are licensed as a freestanding emergency medical facility (Title 25, Texas Administrative Code, Chapter 31) by the Texas Department of State Health Services.

Subject to the same licensing and operational requirements as hospitals because they are licensed as part of the hospital (Title 25, Texas Administrative Code, Chapter 133) by the Texas Department of State Health Services.



## Connection to Hospital Services

Required only to have a transfer agreement in place with an area hospital

Fully clinically integrated with the parent hospital

Function as a department of the hospital with all the same requirements, rules and regulations applied



## Participation in Medicare and Medicaid and Federal EMTALA

Not recognized by the federal Centers for Medicare & Medicaid Services as emergency departments and are therefore not bound by federal emergency department regulations and do not have to comply with the federal EMTALA law.

They cannot bill Medicare, Medicaid or TRICARE and are not subject to Medicare Conditions of Participation or Joint Commission standards.

In order to bill Medicare and Medicaid, must comply with federal Medicare Conditions of Participation and with federal EMTALA

Subject to inspection by the Joint Commission if the owner hospital is Joint Commission accredited (as most hospitals are).



## Quality Reporting

Not required to report quality measures and metrics; required only to have a quality improvement program

Subject to the same required reporting of quality measures and metrics to the state as hospitals



## Balance Billing Rules

Not subject to balance billing mediation rules

Subject to balance billing mediation rules (under these rules, consumers with private health insurance may initiate a mediation process through the Texas Department of Insurance for bills over \$500 for out-of-network hospital-based physician services performed by a radiologist, an anesthesiologist, a pathologist, an emergency department physician, neonatologist or assistant surgeon)