The Insurance Gap: An Unwelcome Surprise

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What is surprise billing?

Example: A patient with private insurance visits an in-network facility, but receives care from a doctor there that isn’t in-network. They then receive a “surprise” bill from the out-of-network provider.

https://www.endtheinsurancegap.org/learn
Out-of-Network Emergency-Physician Bills — An Unwelcome Surprise

Zack Cooper, Ph.D., and Fiona Scott Morton, Ph.D.

Although the Affordable Care Act has increased the number of Americans with health insurance, a 2014 survey found that 20% of insured people still have trouble paying medical bills.¹ A major source of financial hardship for patients comes from surprise bills from physicians who are not in their insurance network. Recent media reports have described large and troubling surprise bills from anesthesiologists, radiologists, and surgeons who assisted during routine procedures.² Surprise bills from emergency physicians have also been a source of concern and are representative of the wider problem. U.S. hospitals generally contract with physician groups to
Surprise billing: popular in Congress…
Protecting Patients from Surprise Medical Bills Act of 2018

Bill Cassidy (R-LA)

No More Surprise Medical Bills Act of 2018

Maggie Hassan (D-NH)

Reducing Costs for Out-of-Network Services Act of 2018

Jeanne Shaheen (D-NH)
Surprise billing: popular in state legislatures...
Including Washington
Major stakeholders & their requirements to end surprise billing

**Patient:** Pay amount as if in-network

**Provider/Facility:** Don’t balance bill patient

**Insurance:** Reimburse balance of a fair charge
What is a “fair” charge?

- Transparent
- Based on a non-conflicted database
- Market-based
- Protects access to care
What is a non-conflicted database?

https://www.fairhealth.org/about-us
What is a “fair” charge, per the 2019 WA State 2019 proposal*?

...a commercially reasonable amount; based on payments for the same or similar services provided in a similar geographic area.

*WA State Office of the Insurance Commissioner
Model Legislation: Connecticut

Patient: Pay in-network amount ✓

Provider/Facility: Don’t balance bill patient ✓

Insurance: Reimburse balance of a fair charge ✓

Specifically mentions use of: the 80th percentile of all charges for the particular health care service ...as reported in a benchmarking database maintained by a nonprofit organization specified by the Insurance Commissioner. Such organization shall not be affiliated with any health carrier.