

## **Balance Billing**

### **Why does it matter?**

Every year, thousands of Utahns receive surprise medical bills they expected their insurer to pay for. They are left to discover that the physician services they received from their local in-network emergency department were actually out-of-network services.

### **How does it happen?**

Hospitals and physicians independently engage in payment negotiations with commercial insurers. This means an insured consumer can choose to go to an emergency department at an in-network hospital, but the physician who provides the emergency care might be out-of-network.

Unfortunately, this practice is not rare and happens too often in emergency medicine. Data presented to the Health Reform Task Force in 2019 from John Hopkins University showed an estimated **19% of all emergency department visits can result in this surprise out-of-network billing** leaving patients with massive bills. In these situations, patients are left with no choice in the matter, which has led to significant waste in our health care system, and ultimately to a market failure.

Recent [survey results](#) from Kaiser Family Foundation found that **2 out of every 3 adults** worry about receiving an unexpected medical bill.

Experts and advocates around the country know that key to any successful policy is that the patient must be held harmless and removed from being financially liable for situations they have no control over.

### **Policy Solutions for Utah:**

HB 456 and HB 457 address both the hospitals and physicians separately.

Three important points of each bill are:

- Hold patients harmless by restricting the financial obligation of the patient to their expected in-network cost-sharing amount
- Requires the insurance company to work out the payment with the hospital or physician
- Sets a fair price to be paid by the insurer for the services provided in emergency departments

### **Bottom Line:**

Balance billing is a fundamental contributor to the health care system market failure and without more incentives and regulatory measures, patients will continue to be harmed by unfair billing practices and healthcare prices will continue to rise for everyone.