

SUPPORT FAIR NEGOTIATION FOR OUT-OF-NETWORK MEDICAL SERVICES

Increasingly, health insurance plans are offering narrow, often inadequate networks of health care providers, leaving even the most diligent patient with out-of-network health care bills. **These narrow networks lead to “surprise” medical bills, most often occurring when patients receive care they thought was covered by their insurance, but was unexpectedly provided by an out-of-network physician.**

For example, a particular hospital may be in network, but the surgeon providing the care may not be covered. Surprise bills can happen at any time, but they often happen during emergency care, when patients and doctors have no way of confirming who is in or out of network.

AAOS supports the Protecting People from Surprise Medical Bills Act introduced by Rep. Raul Ruiz, MD (D-CA) and Rep. Phil Roe, MD (R-TN) which removes patients from the middle and preserves a fair playing field for negotiations between insurers and providers. It's modeled on a New York law that has succeeded in reducing out-of-network bills and protecting patients.

The Protecting People from Surprise Medical Bills Act will:

- **Hold patients harmless.** A patient receiving emergency services from an out-network provider will be liable only for the amount they would have been charged had the provider been in-network.
- **Create a quick and fair process for settling disputes.** A “baseball-style” arbitration process, lasting no more than 60 days, can be triggered by any party in the event of a dispute. The physician charge and the interim payment from the insurer to the physician would be treated as the best offers from each side and the arbiter would consider 80% of charges according to an independent database when making their decision between the two numbers. The physician and the insurer can negotiate and settle on a mutually agreeable number at any time.
- **Require transparency from networks.** Insurance companies would be responsible for keeping accurate records of physicians network status and would be held liable if a patient was informed incorrectly that a provider was in-network.
- **Reduce out-of-network billing rates.** The New York law has succeeded in reducing the practice of out-of-network billing by 34%. The federal solution should model this effort in order to duplicate its success.

What Congress Should Do:

Congress should pass the Protecting People from Surprise Medical Bills Act.