HB 2339 A STAFF MEASURE SUMMARY

Carrier: Rep. Nosse

House Committee On Health Care

Action Date:	04/05/17
Action:	Do pass with amendments. (Printed A-Eng.)
Vote:	5-3-1-0
Yeas:	5 - Alonso Leon, Greenlick, Keny-Guyer, Malstrom, Nosse
Nays:	3 - Buehler, Hayden, Kennemer
Exc:	1 - Hack
Fiscal:	Has minimal fiscal impact
Revenue:	No revenue impact
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WHAT THE MEASURE DOES:

Prohibits non-participating, facility-based providers and providers in emergency cases from balance billing. Requires insurers to pay non-participating, facility-based providers a reasonable and customary payment rate, and that the rate be based on statistically creditable information that is updated at least annually. Requires insurer and health care service contractors to have dispute resolution process for resolving reimbursement disputes for non-participating providers. Adds the definition of provider. Specifies that the reimbursement formula for non-participating providers for emergency and non-emergency services equals 175 percent of the amount paid by Medicare. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Current network adequacy standards
- Insurers' current responsibility to pay non-participating
- Importance of fair and cost-effective dispute resolution process
- Concerns about limiting provider access to networks
- Concerns about linking payment formula to Medicare
- Difficult for consumers to navigate in-network and out-of-network expenses and responsibility
- Proposed amendment

EFFECT OF AMENDMENT:

Adds the definition of provider. Specifies that the reimbursement formula for non-participating providers for emergency and non-emergency services equals 175 percent of the amount paid by Medicare.

BACKGROUND:

“Balance billing,” is the practice of billing the difference between a provider’s charge and the allowed amount (the most an insurance company will pay for covered medical care). This impacts many consumers following an emergency room visit or after surgery. Examples of how balance billing impacts consumers may include:

Non-participating, facility-based providers are often used for pre and post-surgery support for planned surgeries and procedures; although the provider may have an active contract with the hospital, they may not have contracts with insurers, meaning that consumers are unable to determine which providers support a planned surgery in advance and cannot accurately estimate all costs prior to surgery

Emergency care may be performed at out-of-network facilities or by non-participating, facility-based providers, such as physicians filling staff shortages; although out-of-network emergency services are subject to in-network co-payments and coinsurance, insurers may apply a higher out-of-network deductible and out-of-pocket maximum, meaning that consumers seeking emergency services may not have time to find in-network providers

While network adequacy standards establish metrics for the number and type of in-network providers available, consumers continue to be vulnerable to unanticipated bills. Typically, balance billing is discovered by the consumer after the service is performed, leaving the member unable to seek relief from unanticipated charges. Between 2014 and 2016, the Department of Consumer and Business Services closed more than 300 complaints related to balance billing.