

## End the Surprise Health Insurance Gap Pennsylvania Key Messages and Talking Points

---

### Background Points

- Pennsylvania physicians want to be part of the solution to end surprise billing and coverage gaps. A comprehensive, fair solution will benefit patients and doctors, as well as the broader healthcare system.
- Right now, hidden coverage gaps are leaving patients caught in the middle between providers and insurers on billing matters, and we all agree that they shouldn't be.
- A comprehensive, fair solution will take patients out of the middle, boost transparency, and effectively end surprise billing while ensuring long-term access to quality healthcare.

### Why We Need to Act Now

- **Surprise medical bills are the symptom of a larger problem – a surprise insurance gap.** Insurance companies are increasingly making their networks narrow and tiered, forcing doctors and providers out, and leaving patients with few options. Often in emergencies, patients are surprised to find out, after they've been treated, that certain providers aren't covered. It's the insurance coverage gap that leads to surprise bills.
- **The insurance coverage gap is hitting patients in the emergency department hardest of all.** Most people buy insurance to protect them against an emergency. But today's insurance plans often don't meet that simple expectation. Nobody plans the date, time and location of their emergency and by mission and law all hospitals and ED doctors will provide treatment regardless of insurance status. Under insurance law all PA insurers are required to cover emergencies, yet they are leaving patients stuck with significant emergency medical bills.
- **Doctors and patients want a comprehensive, fair solution that takes patients out of the middle.** Doctors want to provide the best possible care for their patients. Working together, we can achieve a better, fairer, comprehensive solution that takes patients out of the middle, boosts transparency, and effectively ends surprise billing while ensuring long-term access to quality healthcare.
- **Two rural hospitals in Pennsylvania have closed since 2010, and many more are struggling.** Without a fair reimbursement standard, doctors and emergency service providers will have trouble keeping their doors open, jeopardizing access to care in Pennsylvania.

### Pennsylvania Needs a Comprehensive, Fair Solution

- Both patients and doctors need a fair solution that takes patients out of the middle, ensures fair and reasonable reimbursement for physician services, increases transparency and ultimately preserves access to care.
- In order to end surprise medical bills, fair and comprehensive solution needs to:

- Relieve Patient Financial Anxiety: Ensure patients will not be financially penalized for unexpected out-of-network care. Patient’s out-of-pocket costs should be limited to in-network cost-sharing requirements. Effectively, any patient deductibles, co-insurance and co-pays for unexpected out-of-network care should be applied to the in-network cost sharing of their insurance plan.
  - Increase Transparency: Prohibit insurers from providing false, misleading or confusing information about coverage and the scope of their provider networks.
  - Improve Insurance Networks: Hold insurers accountable for having adequate provider networks to protect patients and ensure greater access to care.
  - Implement a Fair Payment Standard: Creating an appropriate and fair payment standard for out-of-network services that is based on an independently recognized and verified charge-based database that is not controlled by either insurance companies or health care providers. With a fair payment standard, physicians should no longer submit balance bills to patients for unexpected out-of-network medical care when payments are tied to this charge based independent database.
- We strongly support as does the National Council of Insurance Legislators, the use of the 80th percentile of charge data from an independent source, like Fair Health, as the basis for “usual and customary rates.”
  - Benchmarking a standard to the 80th percentile of a transparent “usual and customary” charge database allows the market to work by encouraging insurers to bargain in good faith when negotiating participation agreements with providers and would exclude the top 20% of billing outliers.
  - We support a streamlined independent dispute resolution process tailored to out-of-network payment disputes that is cost effective and expeditious for all parties.
  - Take Patients Out of the Middle: Patients should not receive surprise bills for unexpected out-of-network emergency and non-emergency health care. Establish strong penalties for insurance companies and physicians that violate the law.

### Current Pennsylvania Bills HB 1553 and SB 678

- **HB 1553 and SB 697 have been introduced in the House and Senate to address surprise medical bills.** Unfortunately as introduced the legislation:
  - **Does not go far enough to promote fair and transparent insurance practices that will protect patients** and keep markets competitive.
  - **Falls short of the consumer protections that Pennsylvanians need.**
  - **Does not address the narrow networks, high deductibles and other insurance issues that are at the root of the problem.**
  - **Does not provide a fair and transparent payment process for physicians and other health care providers**
- **We want to work with the legislature to develop a fair, comprehensive legislative solution** that will end surprise medical bills, take patients out of the middle, increase transparency, and ensure access to care.