

ConsumersUnion®

March 6, 2017

Dear Assembly Member,

I am writing to strongly urge your support for legislation (S.4241 - Seward) to protect consumers from excessive "Surprise Medical Bills" from hospitals for emergency services. In 2014, New York enacted a landmark law that protects consumers from Surprise Medical Bills from doctors providing emergency services who do not participate in their health insurance plan provider network. The new law created an Independent Dispute Resolution (IDR) process to resolve disputed charges, which appears to be working well. However, a loophole in the current law prevents consumers from using this process when the bill comes from the hospital itself.

In New York, consumers' out-of-pocket costs for emergency services in a non-participating hospital must be the same as they would have been if they had received services from a participating hospital. Since the health insurance plan ultimately has to make sure the consumer isn't charged more, hospitals can charge excessive fees knowing they will eventually get paid. Even if a non-participating hospital charges an exorbitant amount for emergency services, they are guaranteed to have those charges paid eventually. While they can't be charged directly to the consumer, excessive hospital charges are ultimately passed along through the increased cost of health insurance premiums.

The way the process typically works, the non-participating hospital sends the bill directly to the patient, who then sends it to their insurance company. The insurance company reimburses the consumer the amount they believe is reasonable for the services they received. The consumer then pays the hospital. If the hospital thinks the reimbursement is not enough, they send another bill to the consumer for the balance of the charges. This starts the process with the insurance company all over again.

The Surprise Medical Bills law fixed this problem for emergency charges billed by doctors. It took the consumer out of the negotiations between the doctor and the insurance plan using an IDR process that ensures the amount paid is based on independent third party experts. We need to apply these important protections to bills from the hospital.

Consumers often choose their health insurance based on whether their doctor and preferred hospital are in the health insurance plan's network. But when emergencies happen they go to the nearest hospital. Unfortunately, charges from non-participating hospitals can be just as excessive as the doctors' charges that are covered by the "Surprise Medical Bill" law. Consumers should not be put in the middle of a fight between their insurance company and hospital. Further, when consumers are billed for excessive hospital charges for emergency services, and those charges are paid by health plans, it affects the premiums everyone must pay. This makes health insurance unaffordable for many New Yorkers who need it. Please support S.4241, which will require the use of the IDR process when the hospital and the health insurance plan can't agree on the bill for emergency services.

Sincerely,



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