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Community Service Society of New York ☞ Consumers Union ☞ Empire Justice Center
Make the Road New York ☞ Medicare Rights Center ☞ Metro New York Health Care for All Campaign
New Yorkers for Accessible Health Coverage ☞ New York Immigration Coalition ☞ Project CHARGE
Public Policy and Education Fund of New York/Citizen Action of New York
Raising Women's Voices-New York ☞ Schuyler Center for Analysis and Advocacy ☞ Small Business Majority
Young Invincibles

HEALTH CARE FOR ALL NEW YORK

Memo in Support

An act to amend the financial services law, in relation to establishing protections from excessive hospital emergency charges (S.4241 – Seward)

MARCH 2017

Health Care for All New York (“HCFANY”) is a statewide coalition of over 170 organizations dedicated to achieving quality, affordable health coverage for all New Yorkers. We strive to bring consumer voices to the policy conversation, ensuring that the concerns of real New Yorkers are heard and reflected. **HCFANY strongly supports the bill to amend the financial services law in relation to establishing protections from excessive hospital emergency charges.**

Under New York Law, consumers who receive emergency services from a non-participating physician cannot incur greater out of pocket costs than they would have incurred had the physician participated with their health plan. As such, the health plan must ensure that the consumer is not balance billed by the provider for these emergency services by paying the in-network rate.

In 2014, New York enacted the “Surprise Medical Bill” law that created an Independent Dispute Resolution (IDR) process to resolve disputed charges between the non-participating provider and the health plan. The IDR process removes the consumer from the negotiations between the out of network doctor and the health plan and ensures the amount paid is determined by independent third party experts.

While the law created important consumer protections from out of network emergency physician bills, out of network *hospital* bills are not subject to the IDR process. These charges are often excessive, especially given that health plans are required to pay out of network charges for emergency services to ensure their members are “held harmless.”



S.4241 would apply an important protection of the “Surprise Medical Bill” law to excessive hospital emergency charges. It would require the use of the IDR process when the hospital and the health insurance plan disagree on the emergency services bill to ensure that the amount paid is based on an independent review. It would also provide that if a health plan submits a dispute to IDR, the health plan pays a reasonable amount for services directly to the hospital. We therefore support, without modification, this bill.

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