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Surprise Billing Overview and Considerations

Amy Graham

Wade Gallon



Webinar Series in Three Parts

Part One: Overview & Context

- What is surprise billing?
- How does it impact healthcare economics?
- What does this mean for my hospital?

Part Two: State View

- State comparison to federal legislation
- Hospital comparisons
- Out-of-network impact on the hospital, provider and patient

Part Three: Legislative/Policy Changes

- Current legislation status
- Significant provider issues

Department of Health & Human Services (DHHS) Announcement

"No patient should forgo care for fear of surprise billing," said DHHS Secretary Becerra.

"Health insurance should offer patients peace of mind that they won't be saddled with unexpected costs. The Biden-Harris Administration remains committed to ensuring transparency and affordable care, and with this rule, Americans will get the assurance of no surprises."





Part One: Overview & Context

Agenda



What is surprise billing?

How does it impact healthcare economics?

What does this mean for my hospital?

No Surprises Act - December 27, 2020

Provider Responsibility

- Bolstering patient protections against high cost-sharing for out-of-network services in certain situations where patients are most likely to receive a surprise bill
- Ensuring patients receive communications regarding the status of provider treatment (in-network or out-of-network) as well as cost estimates for said service (“good faith estimate”)

Payer Responsibility

- Expanding the definition of emergency services that health insurers are required to cover without prior authorization regardless of network status under the Affordable Care Act (ACA)
- Requiring insurer payment to providers for out-of-network services specified under regulations (payment dependent on several factors)
 - Emphasis on independent dispute resolution (IDR)
- Imposing requirements for communications by health insurers related to provider directories

What Is Surprise Billing?



Federal Register Definition

“A surprise medical bill is an unexpected bill from a health care provider or facility that occurs when a covered person receives medical services from a provider or facility that, *usually unknown to the participant, beneficiary, or enrollee*, is a **nonparticipating provider or facility** with respect to the individual’s coverage.”

- Requirements Related to Surprise Billing; Part I, 86 Fed. Reg. 36874 (July 13, 2021)

Where We Encounter Surprise Billing



Emergency or non-emergency care setting



- Patient requires emergency medical transport (road or air) from a nonparticipating provider to a participating facility



- Patient receives emergency care at a nonparticipating provider



- Patient receives ancillary services at a participating facility from a nonparticipating provider



Radiology

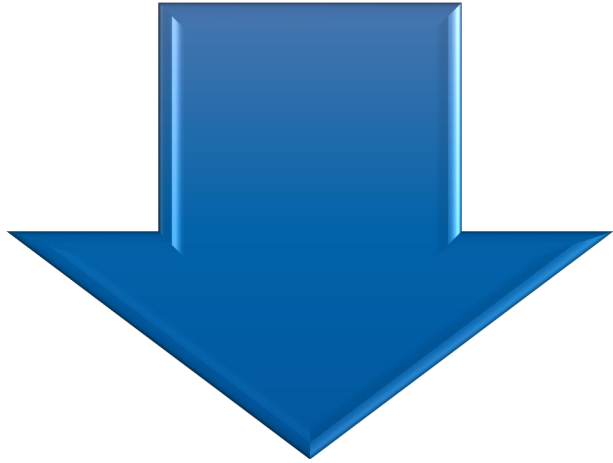


Laboratory



Anesthesia

Surprise Billing vs. Balance Billing



Balance Billing

- Billing for the balance of charges on a claim



Surprise billing

- Balance billing for services where patient did not realize provider was out of network





How Does This Impact Healthcare Economics?

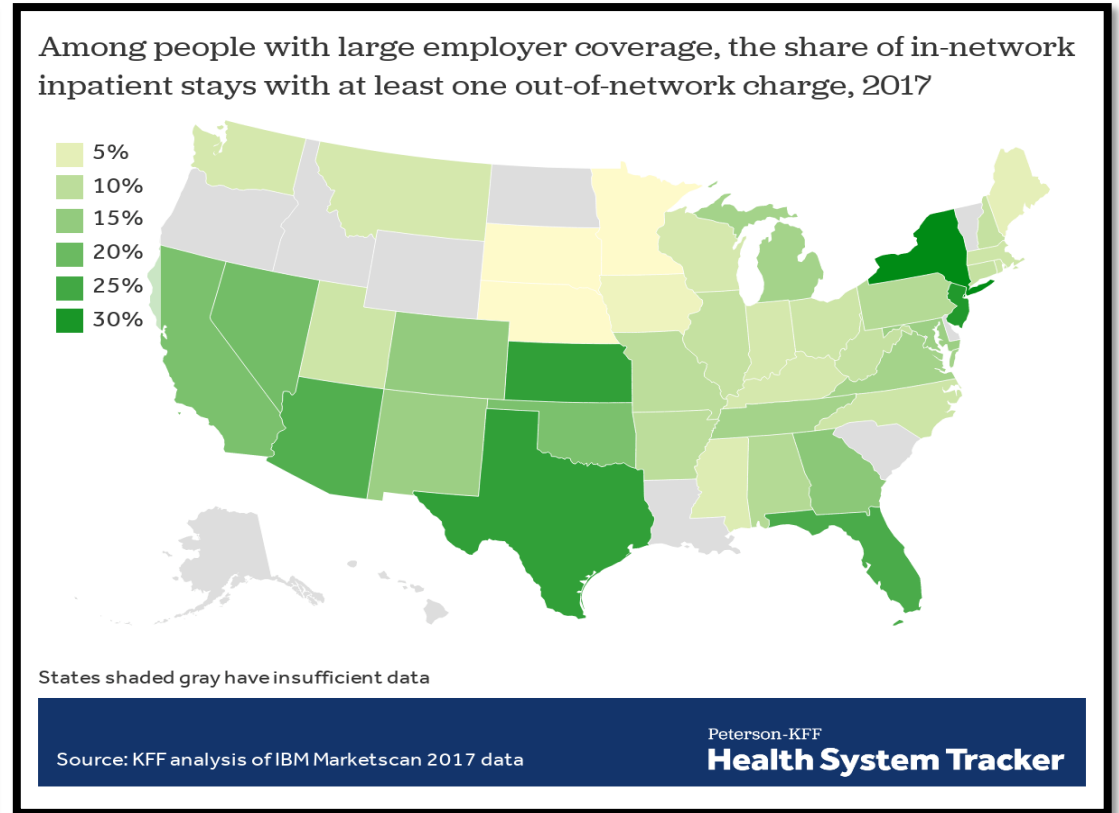
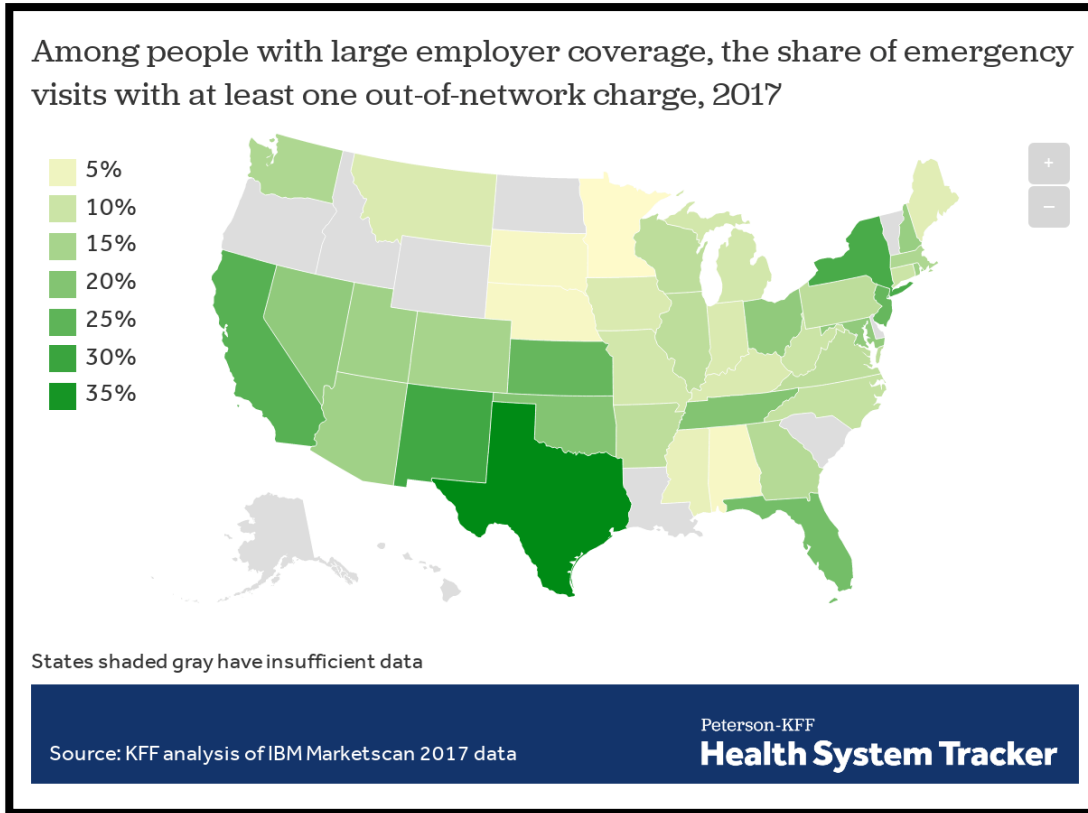
Percentages of Out-of-Network Claims

Emergency Visits:

US 18% – WV 10%

Inpatient Stays

US 16% – WV 9%



Shifting the Burden of Responsibility



- Out-of-network burdens will shift from patient responsibility to payer negotiated rates
- Expected payments amounts will decrease
- Overall collection expenses will decrease

Example of Patient Impact

THIS IS NOT A BILL

Your Family's Medical Claims

You can see further details about your claims listed below by going to bcbst.com

Member Name Date of Service Claim Number Provider Name	Total Charge	Network Savings	Paid Provider Processed Date	HRA Paid (If Applicable)		Amount You Owed Provider
	\$893.76	\$0.00	\$0.00 06/23/2021	\$0.00	COPAY	\$0.00
					DEDUCTIBLE	\$97.16
					COINSURANCE	\$0.00
					NON-COVERED	\$796.60
					OTHER INSURANCE	\$0.00
					YOU OWED PROVIDER	\$893.76
	\$336.75	\$0.00	\$0.00 06/23/2021	\$0.00	COPAY	\$0.00
					DEDUCTIBLE	\$19.54
					COINSURANCE	\$0.00
					NON-COVERED	\$317.21
					OTHER INSURANCE	\$0.00
					YOU OWED PROVIDER	\$336.75
	\$93.00	\$62.27	\$0.00 06/24/2021	\$0.00	COPAY	\$0.00
					DEDUCTIBLE	\$30.73
					COINSURANCE	\$0.00
					NON-COVERED	\$0.00
					OTHER INSURANCE	\$0.00
					YOU OWED PROVIDER	\$30.73
	\$94.50	\$63.46	\$0.00 06/24/2021	\$0.00	COPAY	\$0.00
					DEDUCTIBLE	\$31.04
					COINSURANCE	\$0.00
					NON-COVERED	\$0.00
					OTHER INSURANCE	\$0.00
					YOU OWED PROVIDER	\$31.04

OUT-OF-NETWORK SERVICES
Patient responsible for Non-Covered
and Deductible amounts

IN-NETWORK SERVICES
Patient responsible for Deductible
amounts

Deductibles & Out-of-Pocket impacts

Your Family Deductibles & Out-Of-Pocket Maximums

At the end of the day 07/17/2021 for the year 2021

Medical				
	Deductible Met		Out-of-Pocket Met	
	In-Network	Out-of-Network	In-Network	Out-of-Network
FAMILY	\$910.76	\$116.70	\$1,386.26	\$116.70
INDIVIDUAL :	\$910.76	\$116.70	\$1,386.26	\$116.70

US AVERAGES
 Deductible - \$2,000
 Out-of-Pocket - \$4,500

KEY CONSIDERATIONS
 In-Network and Out-of-Network are Separate
 Out-of-Network Maximum Typically Higher



What Does This Mean For My Hospital?

Why Is It Important?



Hospital Impact

- Patient satisfaction will decrease if providers associated with the hospital are out-of-network
 - Identification of ancillary providers
 - Notification to patient at registration
 - Notification at time of service (i.e., ambulance services)
- New hospital providers – out-of-network until payer credentialing is complete



Call to Action



- Publish hospital list of in-network payers
- Provide a list of associated providers and ancillary services
- Identify out-of-network situations (if possible)
- Share this information with your patients at:
 - Pre-Registration
 - Registration
 - Discharge

Q&A



Amy Graham
Stroudwater Associates
Agraham@stroudwater.com
(T/F) 207-221-8283
(M) 561-628-0066



Wade Gallon
Stroudwater Associates
Wgallon@stroudwater.com
(T/F) 207-221-8270
(M) 617-599-3350



Stroudwater Crossing
1685 Congress St. Suite 202
Portland, ME 04102

Join Us for Part 2

State View

- State comparison to federal legislation
- Hospital comparisons
- Out-of-network status impact on the hospital, provider and patient

When:

Tuesday, October 12, 2021

10:00am Eastern

Registration required



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