



## **Addressing Surprise Medical Bills September 2019**

The National Alliance of Safety-Net Hospitals seeks a solution to the problem of surprise medical bills that is fair to patients and ensures that providers are paid adequately for the care they deliver.

### **Background**

Both Congress and the states are currently tackling the challenge posed by surprise medical bills and balance billing: unexpected bills that insured individuals receive when they are treated, typically in a hospital emergency department or as an inpatient, by an out-of-network provider working in a hospital or facility that is part of their health insurer's provider network. The National Alliance of Safety-Net Hospitals (NASH) supports the broad consensus that patients should not receive such bills and that unsettled charges should be decided between the providers in question and patients' insurers. From NASH's perspective, the major unresolved issue is how best to structure an approach that ensures that providers are able to negotiate adequate reimbursement for care they provide in out-of-network settings.

### **Working Toward a Solution**

Congress is currently considering a number of approaches to addressing the challenges posed by surprise medical bills and balance billing for out-of-network services. In considering which proposals to advance, NASH urges Congress to pursue those that are consistent with the following principles:

1. Surprise billing legislation should protect patients from surprise medical bills and balance billing for out-of-network services.
2. Insurers and providers should be required to negotiate, without a federal role or involvement, for payment for services provided to insured individuals by out-of-network providers.
3. Insurers should uphold the "prudent layperson standard" and provide emergency care for any condition that a prudent layperson would reasonably believe requires emergency care.
4. Federal policies should preserve rather than supersede existing state policies that meet federal minimum patient protections for insurance products that are within states' jurisdiction.

### **NASH's Request**

NASH urges Congress to address surprise medical bills in a manner that protects patients from such bills, establishes a real, fair negotiating process between providers and insurers, and respects effective state efforts to address this challenge.



## **About the National Alliance of Safety-Net Hospitals**

The National Alliance of Safety-Net Hospitals advocates for adequate recognition and financing of private safety-net hospitals that serve America's neediest communities. These private safety-net hospitals differ from other hospitals in a number of key ways: they serve communities whose residents are older and poorer; they serve patients who are more dependent on Medicare and Medicaid for health care coverage; they provide more uncompensated care; and unlike public safety-net hospitals, they have no statutory entitlement to local or state funds to underwrite their costs. NASH's role is to ensure that when federal officials make policy decisions, they understand the implications of those decisions for these distinctive private safety-net hospitals.

