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Title: Surprise Out-Of-Network Medical Billing
Introduced by: Robert Levine, MD, for the Oakland County Delegation
Original Author: Robert Levine, MD
Referred to: Reference Committee B
House Action: **APPROVED AS AMENDED**

Whereas, surprise medical costs can be an unhappy and costly experience for our patients, and

Whereas, physicians may be unaware that a facility or other physicians in a facility do not participate in their patients' insurance plans, and

Whereas, several states have passed legislation that protects patients from surprise billing; therefore be it

RESOLVED: That MSMS supports the elimination of surprise out of network medical billing.

WAYS AND MEANS COMMITTEE FISCAL NOTE: \$25,000 or more as this resolution direction MSMS to engage in legislative advocacy.

Relevant MSMS Policy: None

Relevant AMA Policy:

Out-of-Network Care H-285.904

- 1. Our AMA adopts the following principles related to unanticipated out-of-network care:
 - A. Patients must not be financially penalized for receiving unanticipated care from an out-of-network provider.
 - B. Insurers must meet appropriate network adequacy standards that include adequate patient access to care, including access to hospital-based physician specialties. State regulators should enforce such standards through active regulation of health insurance company plans.
 - C. Insurers must be transparent and proactive in informing enrollees about all deductibles, copayments and other out-of-pocket costs that enrollees may incur.
 - D. Prior to scheduled procedures, insurers must provide enrollees with reasonable and timely access to in-network physicians.
 - E. Patients who are seeking emergency care should be protected under the "prudent layperson" legal standard as established in state and federal law, without regard to prior authorization or retrospective denial for services after emergency care is rendered.
 - F. Out-of-network payments must not be based on a contrived percentage of the Medicare rate or rates determined by the insurance company.
 - G. Minimum coverage standards for unanticipated out-of-network services should be identified. Minimum coverage standards should pay out-of-network providers at the usual and customary out-of-network charges for services, with the definition of usual and customary based upon a percentile of all out-of-network charges for the particular health care service performed by a provider in the same or similar specialty and provided in the same geographical area as reported by a benchmarking database. Such a benchmarking database must be independently recognized and verifiable, completely transparent, independent of the control of either payers or providers and maintained by a non-profit organization. The non-profit organization shall not be affiliated with an insurer, a municipal cooperative health benefit plan or health management organization.
 - H. Mediation should be permitted in those instances where a physician's unique background or skills (e.g. the Gould Criteria) are not accounted for within a minimum coverage standard.

2. Our AMA will advocate for the principles delineated in Policy H-285.904 for all health plans, including ERISA plans.

Price Transparency D-155.987

1. Our AMA encourages physicians to communicate information about the cost of their professional services to individual patients, taking into consideration the insurance status (e.g., self-pay, in-network insured, out-of-network insured) of the patient or other relevant information where possible.
2. Our AMA advocates that health plans provide plan enrollees or their designees with complete information regarding plan benefits and real time cost-sharing information associated with both in-network and out-of-network provider services or other plan designs that may affect patient out-of-pocket costs.
3. Our AMA will actively engage with health plans, public and private entities, and other stakeholder groups in their efforts to facilitate price and quality transparency for patients and physicians, and help ensure that entities promoting price transparency tools have processes in place to ensure the accuracy and relevance of the information they provide.
4. Our AMA will work with states to support and strengthen the development of all-payer claims databases.
5. Our AMA encourages electronic health records vendors to include features that assist in facilitating price transparency for physicians and patients.
6. Our AMA encourages efforts to educate patients in health economics literacy, including the development of resources that help patients understand the complexities of health care pricing and encourage them to seek information regarding the cost of health care services they receive or anticipate receiving.
7. Our AMA will request that the Centers for Medicare and Medicaid Services expand its Medicare Physician Fee Schedule Look-up Tool to include hospital outpatient payments.

Out-of-Network Care D-285.962

Our AMA will develop model state legislation addressing the coverage of and payment for unanticipated out-of-network care.