Background on Out of Network Surprise Billing *(GBIO, 9/5/2019)*

When a lab that performs a blood test is part of your health care plan, then it is reasonable for you to assume that the doctor who analyzes the results of tests from that lab are also part of your health care plan. Sometimes, without your knowledge, this doctor is not also part of your health care plan; this doctor is "out of network". And, when you don't find out the doctor is out of network until you get a large bill for the doctor's work, that is a "surprise". Thus, when you receive a bill of an out of network service, you have to pay the full cost of the doctor with no help from your insurance.

Out of Network Surprise Billing leads to higher out-of-pocket costs for two reasons. First, your insurance company isn't negotiating the cost of the service downward on your behalf. Second, the insurance company is neither paying any part of the cost for the service nor applying your payment for the service to your deductible.

House Bill H.967 fixes out-of-network surprise billing by empowering the Health Policy Commission to recommend prices for services when there isn't an agreement between the provider and the insurance company. The Division of Insurance then enforces those prices when patients would otherwise be hit with an out-of-network surprise bill.

The political opportunity: A bill to fix out of network surprise billing almost passed last session. H.967 now has 31 co-sponsors. Stories explaining out-of-network billing have appeared in the Boston Globe multiple times, along with a letter to the editor from Amy Rostenthal of Health Care For All and a Globe editorial. Senator Cindy Friedman and Representative Jennifer Benson, Co-chairs of the Joint Committee on health care financing have also talked about fixing out-of-network surprise billing.

Challenges: Providers don't like this solution because it adds to their administrative burden (they have to get patient consent for an out-of-network provider to perform a service) and they get less money for the service. They might claim that they can no longer afford to provide the service. Insurance providers would have to pay for these services at rates they didn't negotiate, which may lead them to raise premiums to cover the cost.

However, in the face of these challenges, patients wouldn't have to pay these surprise bills on their own unless they consent to do so up front. Hopefully, having this law in place would encourage insurance providers and health care providers to come together and negotiate for these services, eliminating the problem altogether.