



## Patients May Still Get a ‘Surprise’ Bill After an In-Network ER Visit, Study Finds

Nearly a quarter of in-network emergency room visits may result in a bill from an out-of-network doctor

By Melinda Beck

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Patients who get emergency care at a hospital in their insurance network have nearly a 1 in 4 chance of being treated by an out-of-network ER physician who may send a “surprise” bill, according to an analysis in the *New England Journal of Medicine*.

The study, by two Yale University economists, is one of the first to quantify the surprise-bill issue that has caused patient uproar and stoked friction between ER doctors and insurers.

The situation arises because hospital-based specialists—particularly radiologists, anesthesiologists and ER physicians—are often employed by outside companies that negotiate separately with insurers. As insurance networks narrow, more patients have complained of being blindsided by bills—from hundreds to thousands of dollars—from out-of-network doctors they had no choice in seeing.

“It’s the equivalent of going to a restaurant, paying the check and getting a bill six months later from one of the cooks,” said Zack Cooper, an assistant professor of public health and economics at Yale and the study’s co-author.

The researchers analyzed claims data from a large commercial insurer that included more than 2.2 million ER visits in all 50 states. Although more than 99% of the visits occurred at in-network hospitals, 22% involved out-of-network physicians. The study also revealed wide geographic variations. In McAllen, Texas, nearly 90% of ER visits involved out-of-network doctors, while in Boulder, Colo., and South Bend, Ind., nearly none did.

Under the Affordable Care Act, insurers must pay a “reasonable amount” when their plan members receive emergency care from out-of-network doctors and hospitals, and can’t require

patients to pay a higher share of the amount than they would for in-network services. But the law gives insurers latitude for determining that amount, and allows out-of-network providers to bill patients for the balance.

The Yale researchers weren't able to determine how many out-of-network physicians pressed patients to pay the difference between their full charges and what insurance paid—a practice known as “balance billing.” But the potential for extra cost was considerable. According to the claims data, the out-of-network ER physicians charged, on average, nearly eight times what Medicare pays for the same services, and nearly twice the average in-network reimbursement rate. One patient faced a potential balance bill of \$19,603, the study found.

The American College of Emergency Physicians disputed those figures. “I’ve never seen charges that are 800% of Medicare or a \$19,000 bill,” said Rebecca Parker, ACEP president and senior vice president of practice and payment integration for [Envision Healthcare](#), a staffing company. An analysis by the group’s Florida chapter found the average out-of-network ER physician’s charge was \$679, the average balance bill was \$49.

The ER physicians blame insurers for the patient complaints. “The actual surprise bills are surprise high deductibles,” Dr. Parker said. “Many people don’t realize how little insurance coverage they have until they visit the ER and then they are shocked by how little their insurance company pays.”

Coincidentally, ACEP released this week a video parody of a \$9 million ad campaign by [Cigna Corp.](#) The insurer’s ad features Alan Alda, Noah Wyle, Patrick Dempsey and other actors who played doctors on TV urging viewers to get annual checkups. In ACEP’s version, real ER doctors say the one problem they can’t handle is dwindling insurance coverage. “Thanks to the insurance industry, emergency care is covered less and less, and patients are paying more and more,” says one.

“We’re glad to see our ad campaign has raised the important issue of emergency care compensation,” said Gloria Barone, a Cigna spokeswoman. “The use of emergency rooms and the costs are topics worthy of further discussion throughout the health-care system.”

“We want to get these doctors in the network—we want to avoid the issue of surprise billing. But there’s a question about whether doctors are even willing to enter into negotiations with us,” said Kristine Grow, a spokeswoman for America’s Health Insurance Plans, which represents insurers.

Dr. Parker said most ER physicians want to be in-network “as long as insurance companies pay fairly,” and called on insurers to be transparent about how they calculate out-of-network payments.

Surprise-billing rarely arises at hospitals that employ their own physicians or at academic medical centers. New York Presbyterian Hospital, for example, says its affiliated medical schools provide staff for its ER and belong to the same networks.

Elsewhere, Mr. Cooper says, the problem could be solved if states required hospitals to negotiate rates for both hospital and doctor services together in a bundle, and then negotiate the physician's share of the fees on their own.

"Somebody has to force this, because nobody wants to solve it in isolation," he said.

<http://www.wsj.com/articles/patients-may-still-get-a-surprise-bill-after-an-in-network-er-visit-study-finds-1479333600>