

Putting a Stop to Surprise Medical Bills for New Parents

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The Alliance for Patient Access (allianceforpatientaccess.org), founded in 2006, is a national network of physicians dedicated to ensuring patient access to approved therapies and appropriate clinical care. AfPA accomplishes this mission by recruiting, training and mobilizing policy-minded physicians to be effective advocates for patient access. AfPA is organized as a non-profit 501(c)(4) corporation and headed by an independent board of directors. Its physician leadership is supported by policy advocacy management and public affairs consultants. In 2012, AfPA established the Institute for Patient Access (IfPA), a related 501(c)(3) non-profit corporation. In keeping with its mission to promote a better understanding of the benefits of the physician-patient relationship in the provision of quality healthcare, IfPA sponsors policy research and educational programming.



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According to a recently published study, as many as one in five deliveries could lead to a surprise medical bill. (1) These unexpected bills result from the care provided by an “out-of-network clinician or ancillary service provider.” Examples include laboratory, radiology, and anesthesiologist services, durable medical equipment, and ambulance transportation.

The study reports that the average surprise bill is \$750, with one-third of families unexpectedly on the hook for more than \$2,000. Charges relate to the delivery, newborn hospitalization, or both.

Surprise Billing Ban

Now, the Biden administration is poised to put a stop to surprise billing.

Last month, the Health and Human Services, Labor, and Treasury departments released an interim final rule that bans the practice effective July 1, 2022. (2) The rule puts into effect the law Congress passed on surprise billing in December 2020.

First and foremost, the rule prohibits what is known as “balance billing.”

When patients are seen by providers or at facilities outside their health plan’s network, the insurance company usually pays a portion of the bill, then leaves the balance to the patient. This is where the term “balance billing” originated.

The practice has also become known as “surprise billing” since patients do not expect to receive the bill. In many cases, patients are unaware that an out-of-network provider provided their care. Furthermore, the expense can be much higher than the co-pay or co-insurance a patient would expect to pay for in-network service.

The federal rule also limits certain out-of-network charges and specifies that all emergency services, including air ambulance services, must be treated as in-network. The change applies to patients whose insurance is sponsored by their employee or was purchased through the individual market.

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Deviating from the Anticipated Plan of Care

Patients often find themselves with unexpected bills when medical services are rendered outside of their anticipated plan of care. At one of the first prenatal appointments, most expectant moms are provided with a summary of medical services that they and their baby will receive through a routine delivery and postpartum stay at the hospital. The patient’s financial responsibility and share of the cost paid by insurance for each item are also listed.

If a medical complication causes the expectant mom to be rushed to an emergency room, for example, it is possible that the ambulance she rode in, the hospital she was taken to, and the emergency room physician who treated her were all out of network.

It would be impractical for the patient to confirm the network status

of each entity before they helped her. Regardless, she will likely end up with a surprise bill, even though she has insurance.

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