Colorado Consumer Health Initiative

2019 SPOTLIGHT

Surprise Billing

Objective

After years of hearing stories from consumers who received unexpected bills after a medical procedure, CCHI successfully advocated to pass legislation that ensures consumers will be protected from surprise out-of-network medical bills. The legislation prohibits balance billing, requires providers and facilities to inform consumers of their rights, and sets a payment rate for some services to help address the high cost of out-of-network care. Through a large-scale coalition effort, we were able to pass **one of the most comprehensive policies in the country.**

Advocacy Tactics

Building coalitions, conducting policy research and analysis, building political will, fostering new champions, engaging consumers, submitting regulatory comments, collecting stories, and engaging with the media.

Summary

Surprise medical bills are bills sent to patients by health care providers (like anesthesiologists or surgical assistants) or facilities (like hospitals) when patients unknowingly seek care that is "out-of-network" with their health insurance plan. These out-of-network providers or facilities sometimes send consumers a "balance" or "surprise" bill for amounts that the insurance company did not cover.

CCHI passed legislation (HB19-1174) that protects consumers from exorbitant out-of-network costs: beginning **January 1, 2020**, health care providers and facilities can no longer bill patients who unknowingly received out-of-network care.

Our Work

CCHI's work involved building political will for legislative solutions and ensuring that implementation efforts reflected legislative intent throughout the regulatory process. **We worked with a large coalition of stakeholders representing a variety of interests to provide policy analysis and share meaningful data to inform the legislation. We also collected stories from consumers describing the impact of surprise bills and helped them share their stories with elected officials and the media.** By working with a diverse set of stakeholders to collect and share data and by sharing compelling consumer stories, CCHI accurately demonstrated the scope of the problem in order to shape effective policy solutions.

See Our Results →

Results

During the 2019 legislative session with broad stakeholder engagement, CCHI worked to pass **HB19-1174,** which **provides consumers comprehensive protections from surprise out-of-network billing.** During the remainder of 2019, CCHI worked with the Division of Insurance and other state agencies to ensure that the implementation of this bill protects consumers and addresses their most pressing issues.

How will this law help consumers?

Previously, surprise bills often caused significant financial hardship and sometimes resulted in collections or bankruptcy. Now, out-of-network providers must directly bill a consumer's insurance company and consumers will no longer be stuck in the middle. As a result, out of pocket costs will likely be lower, leaving consumers responsible only for their usual cost-sharing amount.

In what situations will HB19-1174 apply?

This bill will provide protections to patients in two specific situations:

1. When a patient seeks **emergency** care from any facilities or providers that are out-of-network, (this will also eventually apply to some ground ambulances).
2. When a patient seeks **non-emergency** care at an in-network facility and unknowingly sees an out-of-network provider, such as an anesthesiologist or surgical assistant.

Consumers who voluntarily seek care from an out-of-network provider or facility will still be responsible for the costs, and this bill will **only apply to consumers with "CO-DOI" written on their insurance card (those with state-regulated insurance plans).*

What does "comprehensive protections" for consumers mean?

HB19-1174 requires a number of consumer protections, including:

A REQUIREMENT TO COUNT OUT-OF-NETWORK EMERGENCY PAYMENTS TOWARD OUT-OF-POCKET MAXIMUMS:

Any cost-sharing payments that the patient makes in emergency situations must be applied to the patient's health insurance plan's out-of-pocket maximum; insurers must hold patients harmless.

AN ARBITRATION PROCESS:

If providers believe they are not adequately reimbursed, they can initiative an arbitration process for higher payment on a case-by-case basis.

A PROHIBITION ON BALANCE BILLING:

Providers will no longer be able to send balance bills to patients but instead must negotiate and accept payments directly from insurance companies.

A SET PAYMENT RATE FOR SOME SERVICES:

Facilities are required to accept the rate described in the bill for out-of-network services in emergency situations or where patients unknowingly saw an out-of-network provider.

A REQUIREMENT TO REFUND OVERPAYMENT:

If a consumer receives a surprise bill and thus overpays, the facility must refund the payment within 60 days. If they don't, they must refund the payment plus 10%.

A NOTICE REQUIREMENT:

Health care providers, facilities, and insurance carriers must notify patients about their rights regarding out-of-network bills in consistent and understandable language.