

ASSEMBLY BILL 1611 (CHIU)

ELIMINATING SURPRISE EMERGENCY ROOM BILLS

SUMMARY

AB 1611 protects patients from surprise emergency room bills and ensures that they will only owe the same copayment or deductible they would pay for in-network emergency care, no matter whether the emergency room is in-network or out-of-network for their insurer.

THE PROBLEM

Today, if you or a loved one needs to go to the emergency room in California, you could receive a surprise bill for tens of thousands of dollars for that emergency room care.

These surprise bills occur when an insured individual receives care from an out-of-network emergency room. Patients don't have the ability to select emergency care and don't direct the ambulance to their preferred, in-network emergency room.

For most consumers, California law states that if the consumer reasonably believed they were having an emergency and got emergency care, a health plan is required to cover that care whether it is an in-network hospital or out of network. There are approximately 6 million Californians with federally regulated self-insured plans, and 1 million with plans regulated by the California Department of Insurance who don't benefit from this protection.

Even for those with legal protection, it *does not* protect consumers from surprise bills from the hospital and from being sent to collections for the sticker price for emergency room care.

Worse yet, some hospitals are leveraging the existing consumer protection that health plans cover emergency care in-network or out-of-network to extract higher payments from health plans, including leveraging contracts with health plans and higher payment amounts.

In the past month alone, numerous stories of egregious emergency room bills in California have become public.

- A 19 year old man was sent to the emergency room after a pole hanging off a city bus hit him in the face. He was given stitches and received a CT

scan before being discharged. Even though he had health insurance, he was billed for \$27,660.

- An eight-month-old baby fell out of bed and hit his head. Doctors quickly determined that he was fine, but gave him formula before discharging him. The family was sent a bill for \$18,836.
- A 31 year old man went to the emergency room with excruciating pain; he received an appendectomy and stayed in the hospital for two days. He was sent a bill for \$92,470.

In 2016, California passed sweeping consumer protection legislation to ensure that patients would be prohibited from receiving outrageous out-of-network bills from doctors they did not choose (Statutes of 2016, Chapter 492). However, those consumer safeguards do not extend to emergency room bills.

THE SOLUTION

AB 1611 would protect patients both by making sure they only owe their in-network cost sharing for emergency care and cannot be sent to collections for more than the copay or deductible. To protect consumers with both state-regulated health coverage and self-insured plans, the provisions apply to health plans, health insurers, and hospitals.

AB 1611 would also ensure that a patient's health coverage is not used as leverage for higher payment to hospitals by limiting payment from insurers to hospitals to the greater of 150% of Medicare or the average contracted rate.

The only thing you should be thinking about when you or a loved one are lying on a gurney in an emergency room is getting well — not the bill for that care.

SUPPORT

Health Access (co-sponsor)

California Labor Federation (co-sponsor)

FOR MORE INFORMATION

Riana King, Legislative Director

Office of Assemblymember David Chiu

Riana.king@asm.ca.gov