



## Surprise Billing Protections Belong in Congress' Next COVID-19 Relief Package

As our nation confronts a public health and economic threat greater than any we've seen in a century, every family is struggling to understand and manage the devastating and far-ranging effects of COVID-19. During this crisis, families need unfettered access to health care services. And, with unemployment higher than it's been in decades and widespread economic uncertainty, we also must ensure the financial security of America's families as they seek and receive medical care.

Unanticipated health care costs, like surprise medical bills, not only financially devastate families but also create a terrible chilling effect on the willingness and ability of families to seek screening and treatment during this pandemic. Moreover, as Congress and the federal government provide hundreds of billions of dollars to hospitals, doctors, and other medical providers to support their financial security, it is critical that these same providers safeguard the physical and financial health of the families they are treating by eliminating all surprise medical bills.

There is strong bipartisan support and agreement on a solution to end surprise medical bills, including in the U.S. Senate, U.S. House of Representatives, and the White House. The White House has even developed some limited surprise billing protections related to COVID-19. Hospitals, provider groups, consumer groups, employers, and many others have all agreed on the contours of legislation to end surprise medical bills. The time to act to ban all surprise medical bills is now, during one of the greatest health care and economic threats our nation has faced.

### What Is Surprise Billing?

Surprise billing, also called surprise out-of-network balance billing, is a common problem when, through no fault of their own, families receive medical treatment from an out-of-network provider.<sup>1</sup> This occurs most often when families receive emergency care or when families do their very best to go to an in-network provider but later discover physician services or ancillary services like anesthesiology, radiology, lab, or ambulance fall outside of their provider network.<sup>2</sup>

Surprise medical bills are incredibly common. In fact, one in six emergency department visits that families make result in surprise medical bills.<sup>3</sup> These bills can result in hundreds, thousands, and even tens of thousands of unanticipated out-of-pocket costs. Many families are not prepared for the financial hardship of handling these additional costs.<sup>4</sup> For example, according to a 2018 survey, four out of 10 Americans reported they would have trouble covering a \$400 unexpected expense with cash or its equivalent (e.g., savings or a credit card that could be paid off at the next statement).<sup>5</sup>

## Surprise Bills Increase Financial Insecurity Caused by COVID-19

Now more than ever, families are vulnerable to unexpected health care costs due to both rising unemployment rates and the spread of COVID-19. Between March 15 and April 4, more than one in 10 workers filed for unemployment,<sup>6</sup> and the number of unemployment claims are expected to increase over the coming weeks and months.<sup>7</sup> During this time of increased financial insecurity, Americans should not have to fear or manage the financial impact of receiving a surprise bill for putting the health of themselves, their family members, and all in our nation first.

The press has already reported about families receiving very large medical bills in relation to COVID-19 testing and care, including parents receiving thousands of dollars in bills for COVID-19 related screening and care for themselves and their children.<sup>8</sup> Additionally, **HHS and many experts believe that the possibility of surprise billing during the COVID-19 pandemic is even more likely** as families are pushed to out-of-network hospitals for health emergencies or routine care due to hospitals being overrun with COVID-19 patients.<sup>9</sup>

While patients may be protected from the cost of the COVID-19 testing thanks to the Families First Coronavirus Response Act, **families may still be charged for services related to testing**, such as ground ambulance fees, out-of-network lab fees, or out-of-network facilities fees. **And these protections do not cover treatment for COVID-19.** Most recently, HHS has connected emergency pandemic funding for hospitals and providers with the stipulation that

they cannot balance bill those seeking care for COVID-19.<sup>10</sup> These safeguards are not comprehensive. They do not apply to all providers, nor do they apply to all services. And the safeguards are not statutory or even regulatory. Families may be subject to lawsuits as the ambiguities in the guidance are fought-out in court.

## There Is Strong Bipartisan Agreement on a Solution, and Congressional Action Is Needed Now to Protect Consumers from Surprise Bills

Before the COVID-19 pandemic, Congress spent more than a year working to understand and develop a legislative solution to surprise medical bills. Both the House and Senate committees of jurisdiction have developed and marked up bipartisan legislation. The White House also has signaled strong support for comprehensive surprise billing legislation.<sup>11, 12</sup>

**A legislative solution is ready.** It is critical that Congress act NOW to protect consumers from surprise medical bills that will be arriving in the coming weeks and months. Current estimates suggest that patients with employer-based insurance can expect to pay out-of-pocket costs of more than \$1,300 for COVID-19 treatment before considering surprise bills, which would dramatically increase this burden.<sup>13</sup> This is a cost that many families will be unable to bear during this economic downturn. Between 2013 and 2016, medical bankruptcy was responsible for more than half of bankruptcy filings.<sup>14</sup> During this uncertain economic climate, patients need immediate protections to shield them from further financial constraints and possible medical bankruptcy due to surprise bills.<sup>15</sup>

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This is far more than an economic issue — the fear of surprise medical bills may influence people with COVID-19 symptoms to delay or avoid seeking care, which could worsen the outbreak and put them at risk of death or a lifetime of lingering effects.<sup>16</sup>

The recent outbreak of COVID-19 in the United States has exposed many deficiencies within our public health and health care systems. Congress has an opportunity to come together to slow this pandemic

and to work to improve our system for all families. As policymakers consider solutions to lower barriers to access health care and those to mitigate the economic impact of the looming recession caused by the pandemic, **an end to surprise bills is integral to ensuring that families are not faced with further financial burdens and can prioritize seeking necessary care at this critical time.**

## Endnotes

- <sup>1</sup> Claire McAndrew and Jane Sheehan, Families Need Congress to Stop Surprise Medical Bills Now (Washington, DC: Families USA, April 2019), [https://familiesusa.org/wp-content/uploads/2019/09/SILC\\_Surprise-Billing\\_Short-Analysis.pdf](https://familiesusa.org/wp-content/uploads/2019/09/SILC_Surprise-Billing_Short-Analysis.pdf).
- <sup>2</sup> Frederick Isasi, The Impact of Surprise Out-of-Network Medical Bills on Consumers, testimony before the House Education and Labor Committee's Subcommittee on Health, Employment, Labor, and Pensions, April 2, 2019, 116th Cong., <https://edlabor.house.gov/imo/media/doc/2019-04-02%20HELP%20Hearing%20Isasi%20Testimony.pdf>.
- <sup>3</sup> Kaiser Family Foundation, "About 1 in 6 Emergency Visits and Hospital Stays Had at Least One Out-of-Network Charge in 2017," June 20, 2019, <https://www.kff.org/health-costs/press-release/about-1-in-6-emergency-visits-and-hospital-stays-had-at-least-one-out-of-network-charge-in-2017/>.
- <sup>4</sup> McAndrew and Sheehan, *Families Need Congress*.
- <sup>5</sup> Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2018 – May 2019, last updated May 28, 2019, <https://www.federalreserve.gov/publications/2019-economic-well-being-of-us-households-in-2018-dealing-with-unexpected-expenses.htm>.
- <sup>6</sup> Rebecca Rainey and Quint Forgey, "Unemployment Claims Near 17 Million in Three Weeks as Coronavirus Ravages Economy," POLITICO, April 9, 2020, <https://www.politico.com/news/2020/04/09/coronavirus-unemployment-claims-numbers-176794>.
- <sup>7</sup> Sergei Klebnikov, "How Bad Will Unemployment Get? Here's What the Experts Predict," Forbes, March 31, 2020, <https://www.forbes.com/sites/sergeiklebnikov/2020/03/31/how-bad-will-unemployment-get-heres-what-the-experts-predict/#15ee87004f16>.
- <sup>8</sup> Sarah Kliff, "Kept at the Hospital on Coronavirus Fears, Now Facing Large Medical Bills," New York Times, March 10, 2020, <https://www.nytimes.com/2020/02/29/upshot/coronavirus-surprise-medical-bills.html>.
- <sup>9</sup> Elisabeth Rosenthal and Emmarie Huetteman, "Analysis: He Got Tested for Coronavirus. Then Came the Flood Of Medical Bills," Kaiser Health News, April 1, 2020, <https://khn.org/news/covid19-coronavirus-test-surprise-medical-bill/>.
- <sup>10</sup> See HHS guidance at: <https://www.hhs.gov/provider-relief/index.html> and <https://www.hhs.gov/sites/default/files/relief-fund-payment-terms-and-conditions-04132020.pdf>. (accessed April 20, 2020. See Also, Emmarie Huetteman, "In Fine Print, HHS Seems To Have Banned Surprise Medical Bills During The Pandemic," NPR, April 17, 2020, <https://www.npr.org/sections/health-shots/2020/04/17/837749925/in-fine-print-hhs-seems-to-have-banned-surprise-medical-bills-during-the-pandemi>.
- <sup>11</sup> Ricardo Alonso-Zaldivar, "White House says no 'surprise' bills for COVID-19 patients," AP NEWS, April 10, 2020, <https://apnews.com/2b7499e3cdb7e655575fa3469135c496>.
- <sup>12</sup> Alan Fram, "White House backs emerging deal on consumer health costs," AP NEWS, December 9, 2019, <https://apnews.com/3dac32daee5fa5c474cf2c0ecc064c5c>.
- <sup>13</sup> Matthew Rae et al., "Potential Costs of COVID-19 Treatment for People with Employer Coverage," Peterson-KFF Health System Tracker, March 13, 2020, <https://www.healthsystemtracker.org/brief/potential-costs-of-coronavirus-treatment-for-people-with-employer-coverage/>.
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- <sup>15</sup> Himmelstein et al., "Medical Bankruptcy."
- <sup>16</sup> Melissa Healy, "Coronavirus Infection May Cause Lasting Damage throughout the Body, Doctors Fear," Los Angeles Times, April 10, 2020, <https://www.latimes.com/science/story/2020-04-10/coronavirus-infection-can-do-lasting-damage-to-the-heart-liver>.



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