Fact Sheet

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

Ban Surprise Billing Act

Background

Surprise medical bills – which are large, unanticipated out-of-pocket expenses that insured patients incur through no fault of their own – have a devastating financial impact on patients and their access to health care.

According to a recent survey, 57 percent of consumers report they have received an unexpected medical bill that they thought would be covered by their insurance. A separate survey found that seven in 10 patients who have received unaffordable out-of-network medical bills were unaware that their provider was out-of-network at the time they received the services.

Congress must act to protect patients from devastating out-of-pocket costs—including the nearly 160 million Americans who have employer-sponsored health insurance. A federal solution is necessary, because even where states have enacted reforms to protect patients, these reforms cannot cover all individuals with employer-sponsored coverage.

About the *Ban Surprise Billing Act*

The bipartisan *Ban Surprise Billing Act* provides important consumer protections for Americans who receive health care coverage through their employer and for those enrolled in the individual market.

The bill:

- Holds patients harmless by limiting cost-sharing under the plan to the in-network rate and prohibiting out-of-network providers from sending balance bills that exceed the in-network rate.

- Requires that any costs for out-of-network care that would have otherwise resulted in a surprise bill be counted toward the in-network deductible or out-of-pocket maximum.

- Protects air ambulance patients and takes steps to address ground ambulance surprise bills.

- Establishes two mechanisms to resolve payment disputes between providers and payers:
    - For amounts less than or equal to $750 (or $25,000 for air ambulance services), relies on a market-based benchmark of the *median in-network rate* of providing similar items or services in the same geographic area.
    - For amounts above $750 ($25,000 for air ambulance services), providers and payers may elect to use independent dispute resolution (IDR) to determine a fair payment amount.

- Includes a number of bipartisan reforms to improve transparency in health coverage, including:
    - Requiring health plans to maintain up-to-date and accurate provider directories.
    - Improving consumer access to information regarding expected cost-sharing.
    - Improving transparency regarding in-network and out-of-network deductibles and out-of-pocket limitations.