

California Leads Nation in Protecting Patients from Unexpected Hospital Bills, But More Should be Done

The Issue

People seeking medical care should be protected from unexpected bills, and no patient should ever pay more for emergency care because their insurance company does not contract with a provider.

California is a national leader in protecting patients, with most Californians shielded from balance and surprise bills by current state laws (gaps still exist — and should be addressed — for people covered by federally regulated self-insured plans provided by employers and union trust funds, and by certain PPO plans).

Hospitals are required to provide patients with a good faith estimate of the expected out-of-pocket costs for any planned health care service. Few states have such a requirement. In addition, hospitals offer free or discounted care — as well as interest-free, extended payment plans — to patients who cannot afford to pay.

After a patient receives emergency care, hospitals attempt to negotiate a fair payment directly with their insurer. These negotiations do not involve the patient — and have no impact on their out-of-pocket costs.

However, proposed solutions to eliminate surprise medical bills often include provisions that favor insurance companies, with no guarantee that savings for insurers will be passed on to patients.

What's Needed

Policy solutions that:

- Ensure patients don't pay more for emergency care because an insurance company chooses not to contract with a hospital.
- Allow providers and insurers to negotiate payments for out-of-network claims without government interference.
- Ensure patients understand their cost-sharing obligations and can count on them not changing.
- Modernize state laws that prohibit hospitals from employing physicians, which contribute to confusing practices.



Hospital-related health care spending has increased an average of

4.1%

over the past three years, while premiums for employer-sponsored coverage increased

23.7%

over the same period.



2X

The percentage of workers in high-deductible health plans since 2010

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