



Legislative Solutions to Better Protect Texans in Emergency Medical Situations

Legislators from across the state and party lines have heard loudly and clearly from their constituents about rising costs associated with emergency medical care. From chronically out-of-network facilities called independent freestanding ERs to emergency care providers at in-network hospitals, Texans are being charged exorbitant prices at a time when they need it least – in emergency medical situations. The following legislative proposals would take important steps to hold bad actors accountable and better protect Texans seeking emergency care against price-gouging and misleading advertising.

SB 2064 & HB 3867

Protecting Texans Against Price-Gouging in Emergency Medical Situations

Texas Senator Kelly Hancock and House Rep. John Smithee have introduced SB 2064 and HB 3867 to protect Texans from price-gouging for emergency care provided by freestanding emergency rooms and hospitalbased emergency rooms. Similar to current protections available in declared emergencies, Sen. Hancock and Rep. Smithee’s bills grant the Texas Attorney General Consumer Protection Division discretion to act to protect Texans from financially devastating emergency care prices when they seek help in a personal medical emergency.

SB 507 & HB 1566

Expanding Mediation Protection for Consumers to Freestanding ERs & all Emergency Care Situations

Sen. Hancock’s SB 507 and Rep. Frullo’s HB 1566 would expand mediation protections, already being successfully used on a limited basis by consumers in Texas, for insured consumers with PPO plans to all emergency providers, including all freestanding emergency rooms, and to all of out-of-network providers working at a network facility. Mediation is a process by which consumers can challenge surprise medical bills and leave the dispute to the insurer and provider.

SB 1592

Holding Bad Actors Accountable

Sen. Charles Schwertner’s SB 1592 increases the maximum total penalty from \$5K to \$25K on freestanding ERs that violate their regulatory requirements.

SB 2240, HB 3099, HB 3276 & HB 3122

Requiring Greater Transparency at Freestanding ERs

SB 2240 by Sen. Larry Taylor; HB 3099 by Rep. Dennis Paul; HB 3276 by Rep. Tom Oliverson; and HB 3122 by Rep. Jessica Farrar, would require freestanding ERs and physicians to provide clear, upfront information to consumers about their network status; provide in advance the minimum and maximum charges they could be charged for their visit; specify whether or not Medicare/Medicaid/Tricare are in-network for their facilities; and provide consumers with the name of the nearest urgent care center along with its address, hours and phone number, among other requirements.

Emergency Care Cost Crisis in Texas

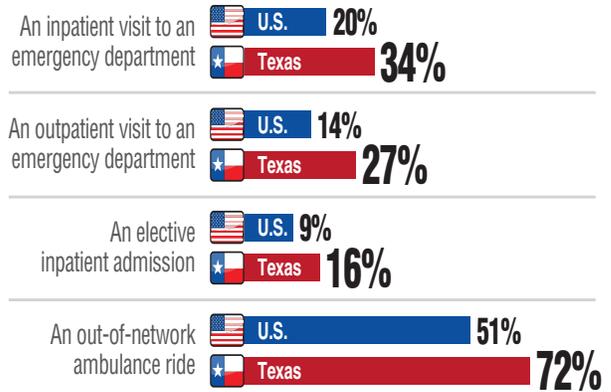
Across the nation states are experiencing a serious market failure in emergency care and perhaps nowhere greater is that crisis than in Texas.

Texas is Ground Zero for High Emergency Care Costs & Out-of-Network Freestanding ERs

- Some of the highest rates of out-of-network ER physicians: 50% of ER physician claims are out of network; at 300 in-network Texas hospitals there is not a single in-network ER doc
- Some of the highest rates of surprise billing in the U.S. – McAllen, TX has seen 89% surprise billing rates
- Some of the highest emergency care costs: Texas ER spending by a major health plan is 67% more expensive than the rest of the nation
- The average ER facility charge in Texas is 36% higher than the rest of the country
- Highest rates of freestanding ERs: Over 200 FSERs in Texas – more than half nation's total population of freestanding ERs
- Freestanding ERs responsible for nearly 70% of out-of-network ER facility claims in Texas
- Overlap in services but very different costs: Freestanding ERs and urgent care centers have 75% overlap in services but FSERs can charge up to 10X more than urgent cares for same services

Surprise Bills: Bigger in Texas

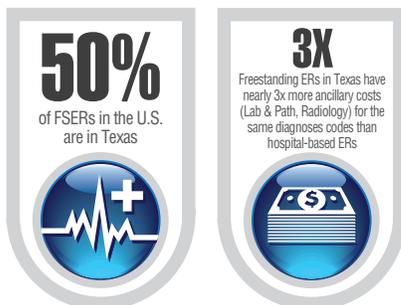
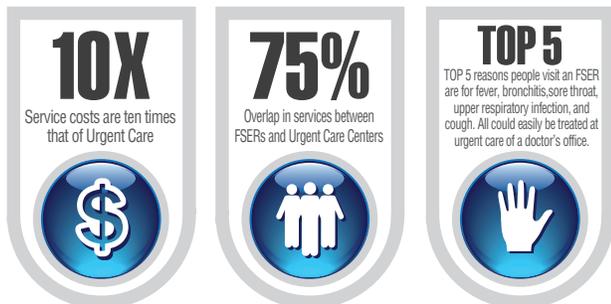
The likelihood of receiving a surprise bill from an ER visit:



Nationwide, about 1 in 5 inpatient admissions to an emergency department led to a surprise bill in 2014 and roughly 5% were because an ambulance took the patient to an out-of-network hospital. The frequency in Texas was MUCH HIGHER than the national average.

Freestanding ERs: Buyer Beware!

They're expensive • They mislead patients • They are likely not in your health plan network – by choice



Sources: "Utilization Spot Analysis: Free Standing Emergency Departments," Center for Improving Value in Health Care, July 2017; "Where Do Freestanding Emergency Departments Choose to Locate? A National Inventory and Geographic Analysis in Three States," Annals of Emergency Medicine 2016; and Major Texas Insurer Health Claim Data

Freestanding ERs Charge \$3K For A Cough?!?!

There is nothing "free" about your neighborhood freestanding ER. Freestanding ERs charge up to 10X more than urgent care centers for the same services.

FREESTANDING ER	VS.	URGENT CARE CENTER
\$2,994	Bronchitis	\$167
\$3,340	Fever	\$180
\$2,562	Sore Throat	\$154
\$2,331	Upper Respiratory Infection	\$156
\$3,044	Cough	\$180

Source: Health Claim Data From Major Texas Insurer