



85th Legislature

TAHP

The Texas Association of Health Plans

Representing health insurers, health maintenance organizations, and other related health care entities operating in Texas.

TAHP Supports Pro-Consumer HB 3276 to Require Greater Transparency from Independent Freestanding ERs

Texans are being misled by a relatively new business model that has popped up at record speed across the state: freestanding ERs. More than half the nation's population of these facilities are located in Texas. They typically set up shop in suburban, commercial shopping areas where there are high populations of insured Texans, but insurance doesn't matter at most freestanding ERs – those that are not affiliated with hospitals are almost always out-of-network.

These freestanding ERs use intentionally misleading advertising to confuse Texans about their network status. They tell Texans they "accept" their insurance but don't clarify that they are not in their network. Most Texans visit freestanding ERs for non-emergency conditions like a sore throat, bronchitis or a fever. Many mistake these facilities for urgent care centers, which look similar and are also in commercial shopping areas. In fact, a new study from Rice University, Baylor College of Medicine and others found a 75 percent overlap in the 20 most common diagnoses at freestanding ERs and urgent care centers.

Though they have so much overlap, freestanding ERs can charge up to 10 times more than urgent care centers for the same services because they are almost always out of network. They also charge consumers facility fees as they are technically emergency rooms. The result? More times than not, super-sized, surprise out-of-network medical bills waiting for Texans in the mailbox when they get home from visiting a freestanding ER.

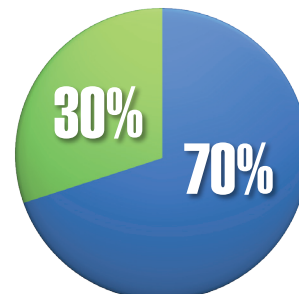
Consumer confusion is leading to increasing consumer frustration, and HB 3276 by Rep. Tom Oliverson would help alleviate this by taking important steps to require greater transparency at freestanding ERs and ensure they are being upfront with consumers about their network status.

HB 3276 would:

- Increase disclosure at freestanding ERs to help consumers know if these facilities are really in their insurance network or not
- Put an end to confusing advertising by freestanding ERs by requiring these facilities to tell Texans explicitly if they are in their network
- Require freestanding ERs to post a notice that either lists the health plans for which the facility is in network or informs consumers that the facility does not participate in a health plan network

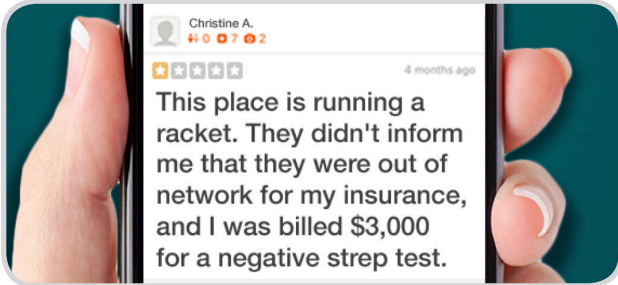
The Majority of Freestanding ERs Are Out-of-Network

Nearly 70 Percent
of Out-of-Network Emergency
Claims for Texas ER Facilities
Occur at
Freestanding ERs.



Independent Freestanding ERs Often Mislead Patients

Real Examples of Texas Patient Reviews & Misleading Advertising on Out-of-Network FSER Web Site:



Misleading Advertising at Freestanding ERs

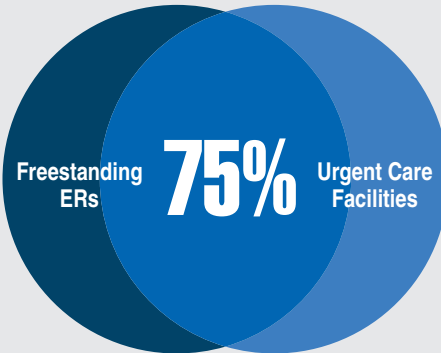
"All Health Insurance Plans Accepted.

We honor in-network billing for all private health insurance plans including: Aetna, UnitedHealth, Humana, Cigna, and Blue Cross Blue Shield."

Independent Freestanding ERs can be 10x More Expensive than Urgent Care Centers with 75% Overlap in Services

**75%
Overlap**

in Services Between
Freestanding ERs and
Urgent Care Facilities



The Real Pain of Visiting a Freestanding ER: \$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