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NCOIL TO INVESTIGATE CONTROVERSIAL MEDICAL BALANCE BILLING AT UPCOMING SPRING MEETING

Washington, D.C., NY, February 19, 2009—As medical debt continues to threaten American families already in the throes of economic recession, the National Conference of Insurance Legislators (NCOIL) at its Spring Meeting here next week will examine the pros and cons of a controversial practice commonly referred to as “balance billing.” The NCOIL Health, Long-Term Care & Health Retirement Issues Committee on February 27—in line with NCOIL goals of consumer protection and healthcare cost reduction—will examine a reimbursement method in which patients believing they have insurance coverage for emergency room and other healthcare services are held liable for unpaid medical bills by out-of-network healthcare providers.

NCOIL President James Seward (NY) stressed the need for intense Committee review and stated:

The Committee will attempt to unravel the facts and fictions surrounding the issue. Consumers are up in arms about what they consider to be an injustice to patients; doctors feel that the out-of-network reimbursement system is fundamentally flawed; and insurers say that they should not be forced to pay unreasonable fees for out-of-network provider charges.

Interested parties scheduled to speak before the Committee include Louisiana Insurance Commissioner James Donelon and representatives of the American Medical Association (AMA), American College of Emergency Physicians (ACEP), America’s Health Insurance Plans (AHIP), Council for Affordable Health Insurance (CAHI), Families USA, and National Association of Health Underwriters (NAHU).

Sen. Ann Cummings (VT), chair of the Committee, said:

Protections should be in place to prevent reimbursement struggles between providers and insurers from being shifted onto the backs of unsuspecting patients. NCOIL intends to have a very frank discussion about medical billing practices and to determine what needs to be done to safeguard patients and effect transparency.

Sen. Cummings added, “In order to determine the role that NCOIL can play, and the potential for model legislation, the Committee will discuss the appropriateness, frequency, and impact of balance billing and review current state approaches to protect consumers against unexpected bills.”

Sen. Cummings went on to say:

We've heard that insured patients are most often balanced-billed by providers working within hospitals or emergency rooms that do not contract with the same insurance companies as these facilities. These inconsistencies can leave patients in the dark about their financial responsibilities. Also, emergency room patients may not be in a position to make these distinctions.

The Committee on February 27 will also discuss another key health transparency issue—that of alleged improper rescissions, or cancellations, of individual health insurance policies that can leave patients without coverage after they've filed an expensive claim. Abuse of this insurance company practice—which is intended to protect companies and consumers against fraud and misrepresentation during the underwriting process—has generated concern among legislators, regulators, consumer advocates, and Members of Congress alike in recent months.

The 2009 Spring Meeting will be held from February 27 through March 1 at the Hyatt Regency on Capitol Hill in Washington, DC.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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