

NEW FEDERAL PROTECTIONS FOR CONSUMERS AGAINST SURPRISE MEDICAL BILLS

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In a broad reaching development, medical billing practices and abuses of same were addressed by federal legislation called the “No Surprises Act” which went into effect January 1, 2022. This new law establishes protections from so-called “surprise medical bills”, which arise when consumers inadvertently receive care from out-of-network hospitals, doctors or other providers they did not choose.

Surprise medical bills pose financial burdens on consumers when health plans deny out-of-network claims or apply higher cost sharing and expose them to “balance billing” from out-of-network providers.

Municipal Employees in New York City and New York State Covered by State Law. Similar legislation already in effect in New York State only applies to insurance companies, while the new Federal law covers insurance companies and self-insured employer provided health plans. New York City employees covered by insured City health plans and New York State employees covered by the New York State Health Insurance Program are covered by the State Law.

What are the protections? (The Consumer is Held Harmless.) These laws require health plans to hold patients harmless by covering surprise out-of-network claims and only apply standard in-network copays, coinsurance and deductibles.

Health plans and providers must also negotiate the payment of surprise medical bills, and if unsuccessful, an independent dispute resolution process will make the determination of the amount to be paid. This process should automatically happen

between the out-of-network provider and patient’s health plan for any covered service without the patient knowing. However, if a patient does receive a surprise bill, they should immediately contact their plan.

What medical bills are covered? Surprise medical bill protections apply to most emergency services provided in hospital emergency rooms and urgent care centers. They also apply to emergency and non-emergency air ambulance transportation, but not ground ambulance. Non-emergency services provided by out-of-network providers at in-network hospitals and facilities are also covered. Often, doctors

don’t work for the hospital or participate in a consumer’s health plan, which can result in the receipt of an unexpected bill.

What can you do if you are a victim of a surprise medical bill?

If a patient should receive a surprise medical bill, they should contact their health plan immediately. Consumers have the right to appeal a health plan’s decision to incorrectly deny or apply out-of-network cost sharing to surprise medical bills, first to their health plan and then possibly to an external reviewer.

Providers are required to give consumers a notice describing their protections under the law each time a covered medical service is provided. The notice must include contact information for the applicable federal and state enforcement entities.

Consultations with an attorney are covered under the Fund’s legal services program if you have a question about a surprise medical bill or any other issue.

