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COMMISSIONER MIKE CHANEY: BALANCE BILLING MUST BE ADDRESSED BY STATE LEGISLATURE

by Mike Chaney, Mississippi Insurance Commissioner

Over the past several years, my office has seen an uptick in balance billing, also called surprise billing. Imagine opening your mail to find a bill for hundreds of dollars for a doctor visit that you believed was covered by insurance. That is what happens to some Mississippians, often seeking emergency medical care, and in many cases it is illegal.

A Mississippi law (Section 83-9-5) which passed in 2013 prohibits balance bills where the insured assigns his or her benefits to the medical provider. In the simplest terms, balance billing occurs when you are charged the difference between what a provider charges for services and what your insurance actually pays the provider. I have set out an example of balance billing, in detail, near the bottom of my letter.

What you should know is that, although the law prohibits it where an assignment of benefits occurs, some providers fail to comply. Rep. Gary Chism (R – District 37) has authored House Bill 95 and I fully support this measure. It amends the 2013 law to give my office the power to adopt regulations and resolve disputes between healthcare providers and consumers.

I hope that you will also support HB 95 after you consider the impact of balance billing and the amount of money involved. The Mississippi Insurance Department (MID) began receiving calls about balance billing in 2015. Calls increased significantly in 2018.

In 2018, the MID recovered approximately \$30,000 for consumers. In 2019, there were 10 complaints with approximately \$25,000 recovered for consumers. So far in 2020, the MID has received two balance billing complaints.

Additionally, consumers are being balance billed tens of thousands of dollars because air ambulance providers are often not in the insurance carriers provider network. The median cost of an air ambulance bill is \$36,000.00.

In 2018, the MID received about six air-ambulance balance billing complaints and recovered more than \$50,000 for consumers. In 2019, we received seven air ambulance-related complaints and recovered approximately \$150,000.

This is an example of what balance billing looks like:

A patient enters a network hospital for a surgical procedure. The anesthesiologist providing services for the procedure is not in the patient's healthplan network. The patient would not be aware of this fact

until such time as the patient receives a bill from the anesthesiologist. Due to the fact that the anesthesiologist is an out of network provider, the insurance carrier will pay the out of network rate.

The anesthesiologist's total charge is \$1,500. The patient's insurance company's non-network rate is \$600. The patient will receive a bill for \$900 (assuming the patient has met their healthplan yearly deductible).

House Bill 95 passed in the House of Representatives last week with overwhelming support but has since been recalled for reconsideration. I hope to see HB 95 passed, giving existing state law the teeth it needs to save money for Mississippi insurance consumers.

As always, I urge you to call on my office if you have questions about insurance or balance billing.

E-mail us at consumer@mid.ms.gov or call 1-800-562-2957.