



Wisconsin Medical Society Solutions for Surprise Billing

An Independent Dispute Resolution process is good for medicine and good for patients.

Surprise Billing Solutions

- Patients should be protected and removed from disputes between providers and payers.
 - Patients should only be held responsible for their in-network cost sharing obligations.
- Need to maintain patient access to providers and hospitals.
- Any potential resolution should establish fair benchmark rates.
 - Rate setting and benchmarks create an artificial floor for providers and disincentivizes network participation.
 - benchmark rates should include actual local charges as determined through an independent claims database.
 - In Wisconsin this database could be provided by the Wisconsin Health Information Organization (WHIO), or other locally-based entity.
- Need to establish a fair and independent dispute resolution (IDR) process to resolve disputes for services rendered out-of-network to patients.
 - An example is the “baseball style” arbitration under New York state law.
 - IDR process should take into account a provider’s experience, background, and complexity of the patient and procedure in question.
- Narrow insurance networks are a driver of surprise bills.
 - Insurers need incentives to negotiate in good faith with providers.
 - Patients deserve a robust choice of physicians, including hospital-based emergency physicians, and on-call surgeons and anesthesiologists, who will be there for patients in life and death emergencies.

Surprise Billing Statistics

- 25 states have taken some form of action to provide protections to patients from surprise medical bills, and an additional 20 states have at least considered legislation in 2019 ([Pew](#)).
 - Wisconsin has two bills in development.
- 14% or 1 in 7 claims result in a surprise bill nationwide ([HCCI](#))
 - Wisconsin’s rate for out-of-network bills = 4.4%, making it one of the states with the lowest rates of surprise billing.
- Between 2010 and 2016, the incidence of out-of-network billing for privately insured patients increased from 32.3% to 42.8%. ([USC-Brookings](#))
 - The out of pocket costs for patients increased from \$220 to \$628 over this time frame.
 - For inpatient admissions, the incidence of out-of- network billing increased from 26.3% to 42.0%, and the out of pocket cost to patients increased from \$804 to \$2040.
 - Narrow provider networks have been increasing since 2014 ([McKinsey](#)).
- One in six say they have put off vacations, bills, or cut spending to help pay off a medical bill ([KFF](#)).
 - Three out of every four people say government should take action to prevent patients from surprise medical bills ([KFF](#))
- Large majority of Americans are worried about being able to afford surprise medical bills for them and their family ([Peterson-Kaiser](#))