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Raising Women's Voices-New York ☞ Schuyler Center for Analysis and Advocacy ☞ Young Invincibles

**Memorandum in Support of A.264/S.3171  
March 2019**

*An Act to amend the Financial Services Law, in relation to establishing protection from excessive hospital emergency room charges*

Health Care for All New York (“HCFANY”) is a statewide coalition of over 170 organizations dedicated to achieving quality, affordable health coverage for all New Yorkers. We strive to bring consumer voices to the policy conversation, ensuring that the concerns of real New Yorkers are heard and reflected. **HCFANY strongly supports this bill to amend the financial services law to protect patients from excessive hospital bills for emergency services, and thanks the Assembly for including this proposal in their budget one-house bill (A.2007 Part LL).**

In 2014, New York enacted a landmark law that protects consumers from out-of-network bills during health emergencies. The law created an Independent Dispute Resolution (IDR) process to resolve charge disagreements between providers and the health plan in the event of an out-of-network emergency bill. The IDR process removes the consumer from this process and ensures that the amount paid is determined by independent third-party experts. This is important for consumers for two reasons: 1. they are protected from unfair bills, and 2. The third-party arbitration system precludes excessive provider charges, which keeps premiums down.

The law works well to protect consumers from out-of-network billing by individual providers, but a loophole means that out-of-network hospital bills are not subject to IDR. Without the IDR process, these bills are often sent directly to consumers and the charges are often excessive. The law ultimately does protect consumers from those charges, but without IDR, it achieves this by forcing plans to pay any amount the hospital charges. These excessive charges are simply passed back to consumers through higher premiums.

S.3171/A.264 would apply an important protection of the “Surprise Medical Bill” law to excessive hospital emergency charges. It would require the use of the IDR process when the hospital and the health insurance plan disagree on the emergency services bill to ensure that the amount paid is based on an independent review. It would also provide that if a health plan submits a dispute to IDR, the health plan pays a reasonable amount for services directly to the hospital. We therefore support, without modification, this bill.

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