

Simple Health Care Billing

Current Health Care Billing Practices

Today, patients receive separate bills in the mail from each health care provider they see or service they receive – for example, a visit to the hospital may result in a bill from the hospital, from an emergency physician, from a specialty physician, from a laboratory, etc. Patients also receive a claims summary from their insurer – an Evidence of Benefits (EOB) form – that itemizes these bills and specifies what the patient owes, but clearly states “this is not a bill.” These multiple documents often confuse consumers and cause frustration.

Problem: Patient as the Middleman

Right now, patients may receive both Evidence of Benefits forms and multiple bills from multiple providers. If there is a problem with the bill, the patient must call the provider who may tell the patient to contact the insurance company and the insurance company who may tell the patient to contact the provider.

Proposal: Simplified Billing

Insurance companies should bill patients for their out of pocket costs. Instead of receiving multiple mailings from multiple places, the patient would receive their existing Evidence of Benefits form and pay their insurer any deductible or copay amounts owed as a result of their plan design. Providers would continue to negotiate payments with health insurers and would be paid for their services by the insurer, not the patient.

Benefits of Simplified Billing

- One bill and one point of contact for questions
- Patients will have the power of the insurance companies working on their behalf to figure out billing errors
- Health care providers can focus on providing care instead of chasing down unpaid bills
- Health insurers will get direct feedback on their insurance plan designs

Would this apply to all health care coverage?

No. This would not change Medicare. It would only apply to commercial insurance plans that are regulated by the state.

Is this price transparency?

No. This is not a new price transparency effort, but it will give consumers clarity on what they owe and to whom.