

*The Michigan State Medical Society **supports efforts to protect patients** from the financial hardship and emotional stress of **surprise, out-of-network bills.***

THE PROBLEM:

- ◆ Current versions of the surprise, out-of-network billing legislation (House Bills 4459, 4460, 4490, and 4491 and Senate Bills 570-573) leave physicians with very little negotiating power with insurance companies. Often times, physicians are forced to accept an insurer's payment offer or risk being out-of-network with none of the volume benefits of participating in an insurer's network.
- ◆ Under the proposed legislation, what remaining negotiating power physicians have is taken away – if they don't accept the insurer's contract terms and rates, they are forced into a government mandated fee schedule.
- ◆ A more balanced legislative approach is needed that ends surprise out-of-network billing but does not give insurers unilateral control of the market that causes more out-of-network care.
- ◆ Adequate safeguards are necessary to appropriately incentivize insurers and physicians to enter into contracts to protect adequate physician networks and patient access to care.

THE SOLUTION:

On behalf of MSMS's 15,000+ physician and medical student members, the following solutions are necessary to bring balance to the legislation, encourage physician retention in the state, and prevent physicians from further losing control of their practices and medical decision-making to insurance companies and government mandates.

1. A study administered by DIFS to understand the scope of the surprise, out-of-network billing issue in Michigan. Just because a medical bill is surprising, does not necessarily mean it is out-of-network. A study will help understand the type of surprise bills Michigan patients are receiving.
2. Amend the fee schedule to increase reimbursement to 115% of the average amount negotiated by the patient's health benefit plan with participating providers for the health care service provided in order to ensure good faith negotiations by both parties.
3. A new bill tie-barred to the current legislation that allows for independent dispute resolution if a health care provider objects to the fee schedule outlined in law. This ensures some recourse for physicians to present their case as to why the payment amount is not sufficient.