



601 Pennsylvania Avenue, NW T 202.778.3200
South Building, Suite 500 F 202.331.7487
Washington, D.C. 20004 ahip.org

May 17, 2022

Representative Thomas Brinkman
Chair, House Insurance Committee
77 South High Street
11th Floor
Columbus, OH 43215

Re: AHIP Comments on HB 270, Utilization Review of Emergency Services

Dear Chairman Brinkman:

I write today on behalf of AHIP to express our concerns with HB 270, which would burden Ohio consumers, small businesses, and families with higher costs by regulating the practice of reduction or denial of benefits related to emergency services if a condition is determined after the fact not to be an emergency.

Research has estimated that visits to the emergency department (ED) for conditions that aren't true emergencies waste more than \$38 billion a year, driving up health care costs and premiums.¹ Health insurance providers work for American consumers, fighting for lower prices for health care services and delivering lower premiums as a result. Our members work hard every day to ensure that Americans get the best possible care at the lowest possible price.

As health insurance providers, AHIP members facilitate access to safe, effective, quality health care while promoting value-based and cost-effective treatments. The ED is not the most cost-effective means for treating non-emergency conditions. Research shows that the median cost for an ED visit to treat common, non-life-threatening medical conditions is \$1,233.² That is 40% more than the average American pays in rent each month.

Additional findings about costs of unnecessary ED use show the following:

- According to the CDC, ED visits increased by 20% in the first decade of the new millennium.³ That translates to about 136 million visits per year.⁴
- The ED is four times more expensive than an outpatient centers such as urgent care centers, retail health clinics, telehealth services, primary care doctors, and nurse lines.

¹ New England Healthcare Institute, https://www.nehi-us.org/writable/publication_files/file/nehi_ed_overuse_issue_brief_032610final edits.pdf, March 2010

² PLOS One, <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0055491>, February 27, 2013

³ U.S. News and World Report, <https://health.usnews.com/health-news/patient-advice/articles/2015/06/25/staying-safe-in-the-er>, June 25, 2015

⁴ U.S. News and World Report, <https://health.usnews.com/health-news/patient-advice/articles/2015-12-14/why-do-we-continue-using-the-er-for-care>, December 14, 2015

Health insurance providers work hard to educate their members on the most appropriate venues for care. This includes offering new technologies such as access to telehealth services, promoting value-based, coordinated care, and providing updated provider directories. This helps ensure people are getting appropriate care at the appropriate time and at the appropriate venue.

Health insurance providers provide patients with non-emergency conditions, such as minor sprains, strains, sore throats, minor wounds, etc., access to several vastly more efficient and cost-effective options for quality care including urgent care centers, retail health clinics, telehealth services, primary care doctors, or nurse lines, depending on the level of care needed. Seeking treatment at an appropriate venue saves patients both time and money. Urgent care centers, for example, usually have a 30- to 60-minute wait time and an average bill of \$60.⁵ Additionally, when patients obtain care at the most appropriate place, that care is generally more patient-centered because it is given by a provider that is part of the patient's regular care team, rather than ED care, which generally focuses on stabilization.

Beyond unnecessary use of the ED, there are countless examples highlighting the fact that hospitals overcharge members through upcoding on ED levels of care. Vox recently conducted a year-long investigation into emergency room billing practices, concluding that “emergency rooms take advantage of their market share, at the expense of their patients.”⁶ This is because little stands in the way of hospitals overcharging in a place like an ED, where a patient has few choices.

To guard against this, health insurance providers deliver cost-saving, waste-reducing value by reviewing necessity of care. In an attempt to encourage ED providers to direct patients to more appropriate care settings, many purchasers of health care, including employers and public programs such as Ohio Medicaid, have adopted quality and payment strategies that provide lower levels of reimbursement for services indicating lower levels of complexity or severity rendered in the emergency room. Such strategies are important medical management tools that help drive quality and affordability.

Many ED claims are truly non-emergent, while others are inappropriately coded. Automated algorithms or “leveling” programs have become standard practice in attempts to combat inappropriate usage of the ED and inappropriate coding by facilities. HB 270 would eliminate the ability to employ these programs in Ohio.

Further, to be forced to try to determine which ones are and aren't appropriate by conducting a formal utilization review for each and every ED claim before denying or reducing payment for such claims, as HB 270 mandates, would not be cost effective. If they believe a higher reimbursement is warranted, ED facilities already have the ability to appeal or dispute any reduced payments.

Health insurance providers – and our customers – continue to struggle against rising health care costs. Unfortunately, HB 270 would only lead to increased health care costs for Ohioans while encouraging more aggressive billing practices by some ED physicians.

⁵ Ibid.

⁶ Vox, <https://www.vox.com/2018/2/27/16936638/er-bills-emergency-room-hospital-fees-health-care-costs>, February 27, 2018

May 17, 2022
Page 3

We appreciate you taking our views into consideration. If you have any questions, please contact me at klake@ahip.org or by phone at 220-212-8008.

Sincerely,

A handwritten signature in black ink that reads "Keith Lake". The signature is written in a cursive, slightly slanted style.

Keith Lake
Regional Director, State Affairs

AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.