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June 13, 2023

Representative Brian E. Lampton
Chair, House Insurance Committee
77 South High Street
Floor 13
Columbus, OH 43215

Re: AHIP Comments on HB 99, Utilization Review of Emergency Services

Dear Chairman Lampton,

I write today on behalf of AHIP to express our concerns with HB 99, 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 two-thirds of hospital emergency department (ED) visits annually by privately insured individuals are avoidable, and costs associated with these avoidable visits to the ED for conditions that aren't true emergencies are estimated to be more than \$32 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 in the most appropriate care setting.

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 average cost for an ED visit is \$2,600.² That is 32% more than the average American pays in rent each month.³

Health insurance providers work hard to educate their members on the most appropriate venues for care and provide patients with non-emergency conditions 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 \$185 – nearly 14 times less expensive than the ED.⁴ 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

¹ UnitedHealth Group, <https://www.unitedhealthgroup.com/newsroom/posts/2019-07-22-high-cost-emergency-department-visits.html>, July 2019

² Ibid.

³ Rent., <https://www.rent.com/research/average-rent-price-report/>, May 2023

⁴ UnitedHealth Group, <https://www.uhc.com/member-resources/where-to-go-for-medical-care/urgent-care-vs-er>

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their market share, at the expense of their patients.”⁵ 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 99 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 99 mandates, would not be cost effective. ED facilities already have the ability to appeal or dispute any reduced payments if they believe a higher reimbursement is warranted.

Finally, the legislation proposes the onerous requirement that a reviewing physician have substantial professional experience providing emergency services within the previous two years. Health insurance providers employ physicians of many different educational backgrounds who have practiced professionally in their fields of expertise. However, requiring these reviews be made by practicing providers adds cost and could lead to delays in the review process without adding value or safety for patients.

Health insurance providers – and our customers – continue to struggle against rising health care costs. Unfortunately, HB 99 would only lead to increased health care costs for Ohioans while encouraging more aggressive billing practices by some ED physicians.

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,



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.

⁵ Vox, <https://www.vox.com/2018/2/27/16936638/er-bills-emergency-room-hospital-fees-health-care-costs>, February 27, 2018