

STATE

Surprise out-of-network medical bills cost NJ \$1B

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TRENTON - New Jersey consumers pay nearly \$1 billion more in health care premiums because patients are unwittingly treated by doctors and hospitals that aren't in their insurance networks, much to their surprise, according to a study released Thursday by advocacy groups.

The unexpected out-of-network bills contribute to New Jersey's health care costs that are among the highest in the nation, the study by New Jersey Policy Perspective and NJ for Health Care found.

"These are costs they would not normally pay if these were appropriate charges," said Raymond Castro, senior policy analyst for New Jersey Policy Perspective, a left-leaning research group. "That cost is going to be transferred to consumers in the form of premiums. Someone has to pay for these costs."

The groups released their study to call attention to bills in the Legislature that would cut down on out-of-network charges that have caught some consumers by surprise.

Consumers in the age of Obamacare are responsible for more of their own health care costs in part because of high-deductible health insurance plans, and the surprise bills have caused sticker shock.

The Asbury Park Press in March reported on Jackson resident Beth Ambros, whose daughter was unwittingly treated for a broken foot at CentraState Medical Center's emergency room in Freehold Township by an on-call orthopedist who wasn't in her insurance company's network. She wound up with a bill for \$3,251.70.

"We agree 100 percent that we need to find a way to protect patients from surprise medical bills, but there are many other provisions in the bill that we think puts hospitals at an unfair disadvantage against insurance companies," said Kerry McKean Kelly, a spokeswoman for the New Jersey Hospital Association, a trade group. "We have an honest policy disagreement on those details of the bill."

The New Jersey Policy Perspective report found:

» Some 168,000 New Jerseyans receive out-of-network medical bills

each year, and 71 percent of them weren't aware that the provider wasn't in their network. The cost is \$420 million, or \$2,500 per consumer.

» The price difference can be steep. In one example, the researchers found that a provider treating a patient with a five-day hospital stay for pneumonia charged Medicare \$9,200 and Aetna New Jersey the out-of-network rate of \$127,000.

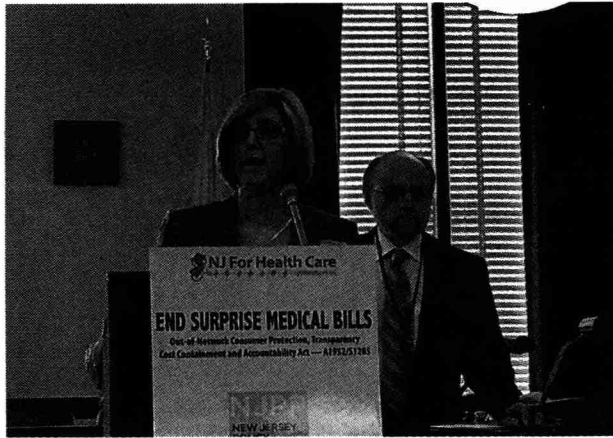
» Insurers pass the cost to consumers. As a result, up to 5 million New Jerseyans pay up to \$956 million a year in their premiums because of excessive out-of-network bills.

Consumer advocates said the cost isn't simply financial.

"When you go to the hospital, the last thing you should worry about is whether each new doctor who walks through the door is in your plan," said Wendell Steinhauer, president of the New Jersey Education Association, the state teachers' union. "The system should not allow you to be taken advantage of."

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Maura Collinsgru, health care program director for New Jersey Citizen Action, and Raymond Castro, senior policy analyst for New Jersey Policy Perspective, call on lawmakers to rein in out-of-network charges at a State House news conference on Thursday in Trenton.