



SUMMARY of DRAFT MODEL LEGISLATION

Physicians for Fair Coverage (PFC) has created model legislation to address surprise coverage gaps created by insurance carriers narrowing networks, a lack of transparency in pricing and costs, and a proliferation of high deductible plans that offer affordable premiums, but often leave patients underinsured. This Model Legislation is a draft Act to improve patient protections and create a Minimum Benefit Standard (MBS) for out-of-network services. Specifically, the Act:

- **Protects The Patient and Alleviates Surprise Costs** by requiring:
 - ❖ Clinicians bill insurers directly, with reimbursements for all applicable charges made directly from insurers to clinicians within 30 days of submission of a claim.
 - ❖ Any patient cost-sharing be paid by insurers directly to clinicians, with insurers subsequently billing patients for the applicable amount.
 - ❖ Insurers limit patients' cost sharing for unexpected OON services to the amount required for In-Network services.
 - ❖ Patients' deductibles for OON services be applied by Insurers to the In-Network deductible.
 - ❖ The MBS be the "floor" for payment of Out-Of-Network (OON) Services.
- **Creates A Minimum Benefit Standard (MBS) for Out-Of-Network (OON) Services** that establishes a reimbursement schedule at the 80th percentile of clinician Usual and Customary Charges (UCC) maintained by an independent non-profit not affiliated, financially supported and/or otherwise supported by an insurance carrier.
- **Allows the Patient to Initiate the Mediation Process** when a charge per CPT Code is \$500 or more (after co-insurance, deductible, and copays are met), and requires resolution within 30 days of the request.
- **Permits Clinicians to Initiate the Mediation Process and to Bundle Similar Claims** and/or claims presenting common issues of facts and/or law. These claims are to be adjudicated in one mediation process to promote speedy dispute resolutions.
- **Prevents Insurance Carriers from providing false, misleading and/or confusing information** in their Explanation of Benefits (EOBs) to patients.
- **Creates Penalties for Non-Compliance** by insurers or clinicians.

