



Uninsured in the Emergency Room: New Patient Protections in Place; More To Do

➤ **California's Uninsured Rely on the Emergency Room for Care**

Even before the economic recession started in 2007, there were over six million uninsured Californians.¹ Since then, at least 500,000 Californians have become uninsured by virtue of losing their jobs.²

Without health insurance coverage, emergency rooms are sometimes the only access to medical services a person has. Under existing law, all of California's more than 300 hospital emergency departments are required to stabilize any patient presenting themselves with a medical emergency, regardless of their income or ability to pay. In 2007, the uninsured accounted for about 16 percent of all emergency department visits (or about 1.7 million visits).³

➤ **The Uninsured are Charged Up To Four Times the Fair Price for Emergency Room Care**

Because the uninsured do not have coverage, they do not benefit from the discounted rates that private insurers and government programs negotiate with emergency departments. Rather, the uninsured have typically been charged prices that are up to three or four times higher than what even commercial plans pay for the same services.

As a result, those with the least coverage have been required to pay the most – an issue that contributes significantly to medical debt and bankruptcy. Through aggressive collections practices, the inflated prices charged to the uninsured have, in part, made emergency departments profitable for some California hospitals, and can more than make up for the uncompensated care that physicians provide.⁴

➤ **Recent CA Laws Protect Uninsured Consumers from Emergency Room Overcharging**

Emergency Room overcharging of the uninsured was first addressed in law in 2006 when California enacted the Hospital Fair Pricing Act (AB774, Chan) requiring hospitals to discount charges to low- and moderate-income uninsured (and some underinsured patients) to the "Fair Price."⁵ A "fair price" was defined as the greater of the amount that Medicare, Medi-Cal, or other government programs would pay for the same care; in practice, this price is often 75% less than the price an uninsured person would otherwise be charged.

The law required hospitals to offer the Fair Price discount to eligible California residents with income at or below 350 percent of the federal poverty level, and allowed them to offer it to people with higher incomes as well.⁶

In 2010, California enacted a second bill (AB 1503, Lieu) to further protect uninsured consumers by limiting what emergency room doctors can bill uninsured or underinsured patients up to 350 percent of the federal poverty level. Specifically, AB 1503 as enacted:

- Limits the price that an Emergency Room doctor can charge an uninsured or underinsured person of low- or moderate-income (defined as 3.5 times the federal poverty level or \$38,000/year for a single person) to an amount roughly equal to 50 percent of the usual price;



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- Requires emergency doctors to notify uninsured patients in their bills that a discount is available, and to provide their discount payment policy and application upon request; and
- Provides uninsured and underinsured California residents with the same consumer protections for fair pricing and collections activity by Emergency Room physicians as by hospitals.

➤ **Consumers Must Apply for Discounts, Advocacy Still Needed**

AB774 and AB1503 provide uninsured (and some underinsured) Californians with a powerful new tool to protect themselves from being overcharged for emergency care. However, these tools are only good if Californians know about them and use them. Under AB774 and AB1503, patients need to apply for the Fair Price discount from the medical provider sending the bill. There are requirements for how hospitals and emergency physicians provide patient notification and adopt application procedures. However, there is wide variation in the efforts that hospitals and doctors make to inform patients of their right to a Fair Price discount.

Many eligible patients never learn about or have an opportunity to apply for the discount to which they are legally entitled. In many cases, intervention by a consumer advocate is necessary to ensure that the patient is given an opportunity even to apply for the Fair Price discount. Unfair denials are not uncommon, and consumer advocates should be prepared to appeal. Speakers of English as a second language and those with poor reading skills remain particularly vulnerable to overcharging.

➤ **Some Advice for Consumers and Advocates**

- If a hospital won't give you a copy of its financial assistance policy & application form, you can get it from the state Fair Pricing website at <http://syfphr.oshpd.ca.gov/search.aspx>.
- If an emergency physician's office won't give you a copy of its financial assistance policy and application, contact the Health Access Medical Debt Program Manager at 510-873-8787 ext. 107.
- If you have a language barrier or other disability that prevents you from advocating with the hospital on your own behalf, or if the hospital is threatening legal action, contact your local Health Consumer Center; for a list of Health Consumer Centers go to www.healthconsumer.org and click on "Partners."
- If you encounter a hospital that you believe is not complying with AB774, please file an online complaint with California's Department of Public Health Licensing & Certification Program; see http://www.hospitalbillhelp.org/have_bill/pages?id=0004 for a list of common violations and a link to Licensing & Certification's online complaint form.
- For more information about the Hospital Fair Pricing Act, the Emergency Medical Care Billing Act, and other issues related to hospital pricing, visit www.HospitalBillHelp.org.



This factsheet was prepared by Health Access, a statewide coalition of consumer, labor, ethnic, senior, faith, and other organizations that has been dedicated to achieving quality, affordable health care for all Californians for over 20 years. Please visit our website and read our daily blog at www.health-access.org