

BLOG

No Surprises Act – Say Goodbye to Surprise Medical Bills

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The No Surprises Act (NSA), part of the Consolidated Appropriations Act of 2021, protects individuals covered under group and individual health plans from receiving surprise medical bills when they receive most emergency services, non-emergency services from out-of-network providers at in-network facilities as well as services from out-of-network air ambulance providers.



What are Surprise Medical Bills?

Surprise medical bills result when insured individuals inadvertently receive care from out-of-network facilities, doctors, or other providers that they did not choose. They can pose a financial burden on individuals when health plans deny out-of-network claims or apply higher out-of-network cost sharing. Further, individuals often receive additional bills from out-of-network providers for the difference between the billed charge and the amount their health plan paid for the service- this is called “balance billing” or “surprise medical bills.”

NSA Patient Protections

Effective January 1, 2022, the NSA prohibits individuals covered under group and individual health plans from receiving surprise medical bills for the following out-of-network services:

- Most emergency services, even if received without approval beforehand (prior authorization).
- Non-emergency services, such as anesthesiology or radiology, provided by out-of-network providers when received at an in-network facility.
- Air ambulance services

In addition, individuals are only responsible for the applicable in-network cost-sharing amount (such as deductibles, copayments and/or coinsurance) for the abovementioned out-of-network services received.

If insured individuals choose to receive services from out-of-network providers, the individuals must be

notified by the provider and consent in advance to receiving these out-of-network services.

State Surprise Billing Laws

The NSA supplements state-specific surprise billing laws and does not replace the state laws. If a state's surprise bill law meets or exceeds the NSA's consumer protections against surprise bills and higher cost-sharing, the state law generally will apply.

Independent Dispute Resolution

The NSA also details a new binding arbitration process, which is an independent dispute resolution (IDR) process involving a neutral third-party that settles out-of-network service cost disputes between the provider and the health plan. The party that loses the IDR process is required to pay the arbitration expenses. The insured individual is not involved in the IDR process and is only responsible for the in-network cost-sharing amount regardless of the final IDR reimbursement amount.

Disclosure Requirements

Group health plans and health insurance issuers are required to provide insured individuals with a notice detailing their rights and protections against surprise medical bills under the NSA. The DOL issued a model notice ([see *Requirements Related to Surprise Billing, Part I, Model Notice*](#)) that can be used by employer plan sponsors as a good faith compliance effort of this disclosure requirement. This notice must be posted on the plan sponsor's and/or health insurance issuer's public website and included in Explanation of Benefits (EOB) statements.

Key Employer Takeaways:

Employers should work with their health insurance carriers or third-party administrators (TPAs) to comply with the disclosure requirements mentioned above. For employers with fully insured plans, health insurance carriers will handle the IDR process directly with out-of-network providers and facilities. Employers with self-funded plans should discuss and contract with their TPAs to handle the IDR process on their behalf.

Employers may see some increased expense due to the NSA. Employers should confirm with their health insurance carriers or TPAs how they will be charged for the IDR process. Additionally, costs which may have previously been a "balance bill" or "surprise bill" to members could now become additional liability to the fully insured plan or self-funded plan sponsor. Employers with experience-rated medical plans can work with their Risk Strategies team and carriers/TPAs to provide insights on prior claims experience and the potential impact to future claim costs under the NSA.

Have questions? Risk Strategies benefits experts are here to help. [Contact us today.](#)

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