

Out-of-network costs soar for non-emergency hospitalizations

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Ohio State researchers found that patients are paying more for out-of-network non-emergency hospitalizations. Credit: OSU

The out-of-pocket financial burden for insured working Americans is substantial and growing—especially when it comes to out-of-network,

non-emergency hospital care, a new study has found.

Researchers at The Ohio State University analyzed claims from more than 22 million enrollees in private insurance plans and found that out-of-pocket [costs](#) for non-emergency out-of-[network](#) hospital care nearly doubled in five years.

The study included enrollees 18 to 64 years old who were part of an employer-sponsored plan for at least one year from 2012 to 2017 and looked at claims related to emergency department and non-[emergency care](#).

Though the prevalence of use of out-of-network care dropped during the study period, cost-sharing for that care rose rapidly from 2012 through 2016 before slowing down in 2017. About 16 percent of individuals encountered out-of-network care, at an average out-of-pocket cost of \$621.

The fastest cost-sharing increases for enrollees arose from non-emergency hospitalizations. The average out-of-pocket cost for this type of out-of-network hospital care increased from \$671 to \$1,286 during the study period. Consumer costs for out-of-network emergency hospitalizations also rose, but less dramatically—from \$452 to \$565.

"These out-of-network costs are concerning because many insured Americans cannot afford to pay a higher percentage of their health care bills, and in some cases they may not even be aware that their providers are out of network," said lead author Wendy Yi Xu, a health economist and assistant professor of health services management and policy at Ohio State.

The study appears online today (Dec. 12, 2019) in the *American Journal of Managed Care*.

In the paper, the authors call on policymakers and others to consider the burdens on working Americans and to seek solutions.

They acknowledge that networks are important strategies for health plans to lower prices. However, they also note that state and federal consumer protection efforts have not focused on the costs of out-of-network care.

Among the policy recommendations from Xu and her co-authors:

- Patients should be told if providers and facilities are out of network, regardless of the urgency of their care.
- Disclosure requirements should further protect consumers by holding them harmless should providers fail to inform the patient of network status.
- States may need to re-examine criteria for network adequacy in an effort to ensure that patients can get the care they need without going out of network.

In recent years, the increase in out-of-pocket payments—including deductibles, copayments and coinsurance—has outpaced wage growth in the United States, the study authors point out. And as of 2018, almost a fifth of large employers have used narrow networks of medical providers in their plans.

"Health care costs are putting pressure on many American families, and we believe that they shouldn't be held responsible for these bills if these higher-cost services are provided without their knowledge or consent," Xu said. "Even when a hospital is in-network, care is often provided by out-of-network physicians."

More information: Wendy Yi Xu et al. Cost-Sharing Payments for Out-of-Network Care in Commercially Insured Adults. *Am J Manag*

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