Surprise Bills from Outpatient Providers: a National Survey

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INTRODUCTION

Growing bipartisan support has fueled awareness and proposals to protect patients from “surprise” bills—bills where a patient unintentionally receives care from an out-of-network provider. While there is a growing literature on surprise bills from emergency and out-of-network providers at in-network hospitals, less is known regarding surprise bills resulting from visits to office-based clinicians.

An outpatient surprise bill may result from the complexities of provider network participation (e.g., a provider may be in-network at one location but not another) or inconsistent procedures and communication between patients and office staff. Outdated provider directory listings can mislead patients to believe an out-of-network provider is in-network. Yet patients are still responsible for increased out-of-network costs. In addition to higher cost-sharing and the balance bill, patients may have no out-of-network coverage or have separate (and higher) out-of-network deductibles and maximums. In a 2018 national internet survey, we assessed the proportion of privately insured patients that received outpatient surprise bills, experiences with provider directories, and whether patients obtained reimbursement from their insurer.

METHODS

Survey participants were recruited through KnowledgePanel.¹ This internet panel consists of ~ 55,000 households and is constructed using high-quality probability-based sampling methods. The survey completion rate was 66%. Weights were applied to match the sample to the US population and adjust for panel recruitment, oversampling, and nonresponse. The NYU School of Medicine and Yale Institutional Review Boards approved the study and participants were consented. The survey oversampled those using out-of-network care and

allowed for a detailed description of experiences with up to two out-of-network general medical providers. Experiences with mental health providers were previously reported and thus omitted from these analyses.² A participant was considered to have received a “surprise” bill if they became aware a provider was out-of-network at the first appointment or when they received the bill.

RESULTS

Our sample included 1148 privately insured adults ages 18–64 that used outpatient general healthcare in the prior year. Participants were predominately white (69%), female (54%), and ages 50–64 years (43%) (Table 1). Overall, 3% ($N = 207$) received at least one surprise outpatient bill in the last year. Those with fair or poor self-reported health were significantly more likely to experience surprise bills. Twelve percent noted that a provider listed in their insurance directory had either incorrect contact information or did not take their insurance. The proportion was significantly higher among those receiving surprise bills (30%).

Of visits to out-of-network providers ($N = 654$), 39% were associated with surprise bills. Most out-of-network visits (70%) were not reimbursed by the insurer, with no out-of-network coverage and an unmet deductible being the most commonly cited reasons (Table 2). Surprise bills were no more likely to come from specialists compared with primary care providers.

DISCUSSION

Among outpatient visits to out-of-network providers, 39% were associated with surprise bills, representing 3% of privately insured. Educational level and income were not associated with receiving a surprise bill, suggesting that system-level failures rather than patient health literacy are driving this problem. While patients are reasonably expected to confirm that the provider accepts their insurance before an office visit, providers—or their office staff—have a role in discussing network participation before care is delivered.

Similar to previous literature for Medicare Advantage, Medicaid managed care, and some Marketplace plans,^{3, 4} directory errors were commonly reported by our privately insured sample, and 30% of those reporting an outpatient surprise bill noted an error. Previously proposed federal

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Table 1 Associations of Surprise Bills with Demographic Characteristics and Report of Directory Errors

	Full sample, N (weighted %)	Participants with no surprise bill*, N (weighted %)	Participants with surprise bill, N (weighted %)	P
Total	1146 (100)	939 (97)	207 (3)	
Demographics				
Age				0.28
18–34	206 (24)	165 (24)	41 (31)	
35–49	326 (32)	284 (33)	42 (27)	
50–64	614 (43)	490 (44)	124 (42)	
Female	711 (54)	574 (54)	137 (55)	0.88
Less than bachelor's degree education	525 (56)	435 (55)	90 (58)	0.59
Race/ethnicity				0.45
White, non-Hispanic	895 (69)	735 (69)	160 (62)	
Non-white, non-Hispanic	159 (18)	125 (18)	34 (21)	
Hispanic	92 (12)	79 (12)	13 (17)	
Self-reported health status				< 0.01
Excellent, very good, good	993 (90)	826 (91)	167 (79)	
Fair or poor	134 (10)	96 (9)	38 (21)	
Enrolled in non-Marketplace plan	1019 (93)	833 (93)	186 (92)	0.75
Directory errors				
Reported directory error†	202 (12)	138 (11)	64 (30)	< 0.01

P values in italics < 0.05

*N*s represent unweighted survey participants, percentages were weighted

Sample includes English-speaking privately insured individuals in health plans with a provider network using outpatient general health care in past year (*N* = 1148). Participants using mental health care were omitted from the sample. Participants (*N* = 2/1148) were omitted if any relevant outcome questions had missing data. Self-reported health status *N* = 1127; marketplace plan *N* = 1106; reported directory inaccuracy *N* = 1140; All other variables: *N* = 1146

*Participants that used an out-of-network provider were asked, "When did you first know that this provider was not in your insurer's provider network? You may have been told by the front desk, the provider, or the insurance company." Participants were considered to have received an outpatient surprise bill if they responded, "At the time of the first visit" or "After the visit (for example, when you received the first bill)" to any out-of-network provider. Participants that did not use an out-of-network provider were assigned to the "No surprise bill" category

†Participants that used their provider directory in the last 12 months were asked about a series of directory problems. Those that reported that a provider had wrong contact information or were not in-network were coded as reporting a directory inaccuracy. Participants that did not use their directory were considered to not report an error

legislation required that enrollees in private plans have access to accurate directories and are protected from costs related to directory errors.⁵ Other proposed remedies include increasing provider engagement and accountability for directory information and advancing directory data technology.

Limitations of this study include the use of self-report and other possible biases inherent in internet surveys, although non-response bias was mitigated through weighting. The prevalence of outpatient surprise bills may vary by market and plan and our study did not allow us to identify these differences.

Table 2 Characteristics of Outpatient Out-of-Network Providers

	Full sample	Out-of-network providers with no surprise bill, N (weighted %)	Out-of-network providers with surprise bill, N (weighted %)	P
Total	654 (100)	398 (61)	251 (39)	
When informed provider was out-of-network				
Before visit	398 (61)	N/A	N/A	
At time of visit	101 (18)	N/A	N/A	
After visit (e.g. when received bill)	150 (21)	N/A	N/A	
Received reimbursement				.73
No	459 (70)	275 (70)	184 (71)	
Reasons for not receiving reimbursement*				
I had not met my insurance deductible	178 (36)	97 (34)	81 (40)	
My plan will not pay at all for out-of-network providers	137 (29)	86 (31)	51 (26)	
My plan does not cover the types of services provided during this visit	85 (20)	64 (24)	21 (14)	
My insurer rejected my claim	55 (13)	25 (12)	30 (15)	
I thought it would be a hassle	49 (11)	28 (11)	21 (11)	
Concerns about confidentiality	7 (2)	3 (2)	4 (2)	
Other	59 (16)	40 (15)	19 (17)	
Provider type				.58
Primary care provider	241 (42)	153 (43)	88 (40)	
Specialist	398 (58)	237 (57)	161 (60)	

This table represents 654 outpatient out-of-network providers. 492 participants used an out-of-network provider in the last 12 months; 160 of those saw two or more

*N*s represent unweighted participants, percentages were weighted

When informed provider out-of-network *N* = 649; received reimbursement *N* = 647; reasons for not receiving reimbursement *N* = 457; provider type *N* = 639

*For reasons participant was not reimbursed for an out-of-network visit, participant could pick more than one reason

Also, because our data are cross-sectional, we were unable to establish causal effects.

Provider networks are an important tool if they give plans leverage when negotiating prices with providers and result in lower premiums.⁶ Yet, if patients cannot accurately identify in-network providers, networks may unfairly lead to surprise bills and increase patient out-of-pocket costs.

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Compliance with Ethical Standards:

The NYU School of Medicine and Yale Institutional Review Boards approved the study and participants were consented.

Conflict of Interest: The authors declare that they do not have a conflict of interest.

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