

## STATEMENT OF PURPOSE

RS33420 / S1319

This legislation establishes the Freestanding Emergency Room and Emergency Care Affordability Act to improve transparency, promote affordability and create clear, predictable standards governing billing and reimbursement for emergency medical services provided by out-of-network freestanding emergency rooms.

Federal law established baseline consumer protections for emergency services; however, gaps remain with respect to billing practices at out-of-network freestanding emergency rooms. This legislation addresses those gaps by limiting balance billing, requiring application of in-network cost-sharing, and establishing payment standards based on in-network allowed amounts for comparable emergency services..

The bill requires a freestanding emergency room disclose to patients if it does not participate in Medicare, Medicaid, or TRICARE, ensuring seniors, veterans, and other covered persons enrolled in the public health care programs receive timely notice of potential financial responsibility. These disclosure requirements are intended to prevent covered persons from receiving full, undisclosed charges for emergency services solely due to a facility's non-participation in a particular Medicare, Medicaid or TRICARE.

The legislation voids unenforceable billing agreements, establishes protections against excessive billing, and provides remedies for violations. The bill allows voluntary participation by self-funded health plans and authorizes limited oversight by the Department of Insurance.

### FISCAL NOTE

This legislation is not expected to have an impact on the state General Fund. Administrative activities related to verification requests, posting of voluntary self-funded plan elections, and oversight would be absorbed by the Department of Insurance within existing resources. No new programs, staffing, or information systems, or contract services are required.

Any penalties or recoveries collected for violations would be deposited into the General Fund. For employees covered under the state's health insurance plan, the legislation may reduce exposure to excessive out-of-network emergency billing and savings and independent dispute resolution fees.

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**DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).**