



DATA BRIEF NO. 50 | SEPTEMBER 2019

Many Privately-Insured Ohio Residents Receive Unexpected Medical Bills; Many Unhappy with Resolution and May not Understand Options for Assistance

Unexpected medical bills are surprisingly common. They can take many forms, from higher than expected charges, to bills from unexpected doctors, to bills from out-of-network providers when patients thought they were in-network. Federal and state legislators, including those in Ohio, are taking a close look at these issues and expanding consumer protections to reduce patients' financial burdens from these surprise medical bills.

A 2019 survey of Ohio adults examined how prevalent these experiences were among the state's residents. Though respondents reported receiving unexpected bills regardless of insurance status, this analysis focuses on the respondents with private health insurance (almost 500 responses).¹ Compared to adults with Medicare, Medicaid, Tri-care or Veterans Health, consumers with employer coverage or coverage that they buy on their own have fewer protections against high and unexpected costs from surprise medical bills.

KEY FINDINGS:

- One in three privately-insured Ohio adults received a surprise medical bill
- Three-quarters of privately-insured Ohioans who received a surprise bill made an effort to resolve the bill before paying it
- Three out of five ended up paying the bill in full
- Only one third of surprise medical bills were resolved satisfactorily
- Many respondents may not realize they have options for appealing these bills

ABOUT ONE-THIRD OF PRIVATELY-INSURED OHIO ADULTS RECEIVED A MEDICAL BILL THEY WERE NOT EXPECTING. Altogether, 32% of privately-insured Ohio adults reported receiving a medical bill that included an unexpected expense in the prior 12 months. These surprise bill recipients reported these specific issues:

- 57%—The amount charged was higher than expected
- 40%—A bill from a doctor they didn't expect

Smaller numbers reported being charged out-of-network rates when they thought the doctor was in-network (7%); being charged for services they did not receive (6%) or reported something else unexpected (11%). Overall, the prevalence of unexpected bills in Ohio aligns well with national data.²

OHIOANS TRIED A NUMBER OF STRATEGIES TO ADDRESS THE SURPRISE BILL. About three-quarters (74%) of privately-insured Ohio residents who received a surprise bill made an effort to resolve the bill before paying it. As a first step, 27% of bill recipients contacted their doctor, hospital or lab and 25% contacted their insurance plan to resolve their unexpected medical bill (see Table 1).

Table 1: First Step After Receipt of Unexpected Medical Bill

CONTACTED DOCTOR, HOSPITAL OR LAB	27%
CONTACTED THE HEALTH PLAN OR CONSULTED INSURANCE POLICY/PROVIDER DIRECTORY	25%
PAID BILL WITHOUT DISPUTING IT	26%

Source: 2019 Poll of Ohio Adults, Ages 18+, privately-insured who received an unexpected medical bill, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey

Far fewer (38%) took more than one step to resolve their unexpected bill. And very few reported taking actions that would escalate the issue beyond the insurer, doctor or hospital, such as:

- Contacting a consumer assistance program
- Asking a friend or family member for help
- Contacting a state government agency
- Filing an insurance appeal
- Contacting an insurance broker
- Contacting state legislators or member of Congress
- Contacting a lawyer
- Filing a formal complaint

It is likely that many patients may not realize these avenues of appeal are open to them. The survey also asked about respondents' confidence in the skills needed to navigate the healthcare system. Areas where Ohio adults particularly lacked confidence include disputing medical bills and resolving problems with unresponsive providers and health plans. Nearly 21% of Ohioans said they had low confidence about disputing a medical bill that they perceived as incorrect. These findings are consistent with other data showing that many adults have a poor understanding of how to navigate financial aspects of the healthcare system, and lack critical knowledge like knowing they have the right to appeal a coverage decision, how to seek help from state regulators and how to navigate hospital charity care policies.³

AMONG PRIVATELY-INSURED OHIO ADULTS WITH AN UNEXPECTED MEDICAL BILL IN THE PAST 12 MONTHS, THREE OUT OF FIVE (59%) PAID THE BILL IN FULL OR THROUGH A PAYMENT PLAN. Just 12% had their bill dismissed and still fewer were able to negotiate a lower price (9%), while 9% of bill recipients had their surprise medical bill go to a collection agency and was still unpaid (see Table 2).

Table 2: Payment Status of Unexpected Medical Bill

PAID FOR THE ORIGINAL BILL IN FULL	37%
PAYING ORIGINAL BILL THROUGH A PAYMENT PLAN	22%
NEGOTIATED A LOWER BILL	9%
BILL SENT TO COLLECTIONS AND IT IS UNPAID	9%
BILING ISSUE WAS DISMISSED OR WRITTEN OFF	12%
BILL IS PENDING	12%

Source: 2019 Poll of Ohio Adults, Ages 18+, privately insured who received an unexpected medical bill, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey.

A THIRD OF UNEXPECTED MEDICAL BILLS WERE NOT RESOLVED SATISFACTORILY; MANY REMAIN UNRESOLVED.

Among privately-insured Ohio adults who had an unexpected medical bill, just about a third (32%) indicated that the issue was resolved to their satisfaction. Another third (31%) indicated that the issue was not resolved to their satisfaction and a quarter considered the issue unresolved (see Table 3).

Table 3: Satisfaction with Resolution of Unexpected Medical Bill

ISSUE WAS RESOLVED TO THEIR SATISFACTION	32%
ISSUE WAS RESOLVED BUT NOT TO THEIR SATISFACTION	31%
ISSUE IS STILL NOT RESOLVED	24%

Source: 2019 Poll of Ohio Adults, Ages 18+, privately insured who received an unexpected medical bill, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey. Components do not add to 100% due to some respondents being unsure of bill resolution.

Both satisfied and dissatisfied consumers reported attempting to contact the health plan or consulted their insurance policy or provider directory in high numbers when they received their unexpected bill. But satisfied consumers were likely to have tried additional strategies such as contacting a customer assistance program, while dissatisfied consumers more often paid the bill without disputing it (see Table 4).

Table 4: Resolution Strategies Differ Between Dissatisfied and Satisfied Patients

STRATEGIES	DISSATISFIED WITH BILL RESOLUTION	vs.	SATISFIED WITH BILL RESOLUTION
PAID THE BILL WITHOUT DISPUTING IT	39%		17%
CONTACTED THE HEALTH PLAN OR CONSULTED INSURANCE POLICY/PROVIDER DIRECTORY	32%		41%
CONTACTED THE DOCTOR, HOSPITAL OR LAB	37%		55%
CONTACTED A CUSTOMER ASSISTANCE PROGRAM	10%		14%

Source: 2019 Poll of Ohio Adults, Ages 18+, privately insured who received an unexpected medical bill, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey.

DISCUSSION

Privately-insured Ohio adults receive unexpected medical bills in high numbers. The nature of these bills takes many forms, from higher than expected charges, to bills from doctors they didn't expect, to surprise out-of-network bills. Distressingly, about a third of these unexpected bills are not resolved to the satisfaction of the recipient. These Ohio findings are consistent with other national survey data showing unacceptably high rates of unexpected medical bills.

Data show that survey respondents tried to “do the right thing,” with three-quarters making an initial effort to resolve the unexpected bill by contacting the doctor, hospital or health plan. Very few respondents escalated their concerns to formal appeal channels.

Ohio residents would benefit significantly from state actions to alleviate these unfair and burdensome medical billing problems, starting with protections that prevent unexpected bills from happening in the first place.

As states address the issue of surprise, out-of-network medical bills, they are emphasizing the need to get the consumer out of the middle—strategies such as better consumer notices and prohibiting balance billing by providers in certain circumstances.⁴ When balance billing is prohibited, these consumer protections must be accompanied by a mechanism to resolve the out-of-network provider's bill. Other efforts states are undertaking include simplifying health plan benefit designs⁵ and improving the accuracy of provider directories and adequacy of provider networks. In light of poll results showing that bill recipients may not understand how to escalate their billing problems, Ohio policymakers may also want to consider creating a dedicated state ombudsman's office to help consumers with their billing problems, such as available in Connecticut and Vermont.⁶

6

NOTES

1. These privately-insured respondents include those covered by plans regulated at the state level (“fully insured” plans), as well as plans regulated by the U.S. Department of Labor (ERISA or “self-insured” plans). The later are typically the plans offered by larger employers.
2. A Consumer Reports survey found nearly one third of privately insured Americans hit with surprise medical bills, Consumers Union (August 2018). https://www.healthcarevaluehub.org/files/4015/3756/0216/2018_Surprise_Medical_Bills_Survey_PUBLIC_Report.pdf. In addition, a Kaiser Family Foundation survey found that among insured, non-elderly adults struggling with medical bill problems, charges from out-of-network providers were a contributing factor about one-third of the time. A study by Stanford researchers found that 43% of visits to emergency rooms resulted in surprise medical bills.
3. A 2014 Kaiser Family Foundation survey found one-third of respondents did not know that if a health plan refuses to pay for a medically recommended service, an insured person has the right to appeal the plan's decision. <https://www.kff.org/health-reform/poll-finding/assessing-americans-familiarity-with-health-insurance-terms-and-concepts/>. A separate 2015 survey found three-quarters of privately-insured adults are unsure if they have the further right to appeal to the state/an independent medical expert if their health plan refuses coverage for medical services they think they need. Few (just 13%) could identify the state agency/department tasked with handling health insurance complaints. <https://consumersunion.org/research/surprise-bills-survey/>
4. Kevin Lucia, Jack Hoadley, and Ashley Williams, *Balance Billing by Health Care Providers: Assessing Consumer Protections Across States*, Commonwealth Fund (June 13, 2017)
5. For examples, see Corlette, et. al., *Missed Opportunities: State-Based Marketplaces Fail to Meet Stated Policy Goals of Standardized Benefit Designs*, Urban Institute (July 2016).
6. Hunt, Amanda, *The Office of the Healthcare Advocate: Giving Consumers a Seat at the Table*, Research Brief No. 25, Research Brief No. 25 (May 2018).

Methodology

Altarum’s Consumer Healthcare Experience State Survey (CHESS) is designed to elicit respondents’ unbiased views on a wide range of health system issues, including confidence using the health system, financial burden, and views on fixes that might be needed.

The survey used a web panel from SSI Research Now with a demographically balanced sample of more than 1,000 respondents who live in Ohio. The survey was conducted only in English and restricted to adults ages 18 and older. Respondents who finished the survey in less than half the median time were excluded from the final sample, leaving 982 cases for analysis with weighting occurring in age, gender and income to be demographically representative of Ohio.

For the purposes of this report, we further reduced the sample to just those who were privately insured—a total of 496 cases. The demographic composition of the final sample was as follows:

Demographic Composition of Privately-Insured Survey Respondents

DEMOGRAPHIC CHARACTERISTIC	FREQUENCY	PERCENTAGE	DEMOGRAPHIC CHARACTERISTIC	FREQUENCY	PERCENTAGE
HOUSEHOLD INCOME			GENDER		
Under \$30K	52	10%	MALE	218	44%
\$30K - \$40K	48	10%	FEMALE	278	56%
\$40K - \$50K	42	8%	INSURANCE STATUS		
\$50K - \$60K	49	10%	HEALTH INSURANCE THROUGH EMPLOYER OR FAMILY MEMBER’S EMPLOYER	425	86%
\$60K - \$75K	71	14%	HEALTH INSURANCE I BUY ON MY OWN	71	14%
\$75K - \$100K	87	18%	HEALTH STATUS		
\$100K - \$150K	88	18%	EXCELLENT	69	14%
\$150K+	59	12%	VERY GOOD	185	37%
AGE			GOOD	192	39%
18-24	64	13%	FAIR	40	8%
25-34	113	23%	POOR	10	2%
35-44	88	18%	PARTY AFFILIATION		
45-54	107	22%	REPUBLICAN	168	34%
55-64	106	21%	DEMOCRAT	160	32%
65+	17	3%	NEITHER	168	34%

Source: 2019 Poll of Ohio Adults, Ages 18+, Altarum Healthcare Value Hub’s Consumer Healthcare Experience State Survey



ABOUT ALTARUM’S HEALTHCARE VALUE HUB

With support from the Robert Wood Johnson Foundation, the Healthcare Value Hub provides free, timely information about the policies and practices needed to achieve health systems that are equitable, affordable, and focused on the goals and needs of the people the system is meant to serve. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all Americans.

Contact the Hub: 2000 M Street, NW, Suite 400, Washington, DC 20036
 (202) 828-5100 | www.HealthcareValueHub.org | [@HealthValueHub](https://twitter.com/HealthValueHub)

Support provided by the Robert Wood Johnson Foundation