

New Law Offers Comprehensive Healthcare Cost Transparency, Consumer Protections

New York State Establishes FAIR Health as Benchmark in Consumer Protection

NEW YORK, N.Y., March. 18, 2015 – Beginning March 31, 2015, New York will put into effect a new law offering healthcare consumers across the state some of the most comprehensive healthcare cost transparency laws and consumer protections in the nation. The law, which is being watched by states considering similar legislation, is designed to help consumers better plan for healthcare costs and avoid surprise out-of-network expenses. FAIR Health data will feature prominently in the new law’s assistance for consumers.

Key consumer protections required by the New York law include:

- Hospitals must list on their websites the standard prices they charge for items and services, as well as all the networks in which they participate.
- Health plans must provide publicly available up-to-date lists of physicians, hospitals and other providers belonging to their networks;
- Hospitals, medical practices, diagnostic and treatment centers must disclose which providers are out-of-network when they are making a referral to an out-of-network provider;
- Consumers who receive a surprise bill from an out-of-network provider will be responsible for paying only the amount required by their plans’ in-network rules;
- Patients’ out-of-pocket costs for emergency care will be limited to the amount required under their plans in-network rules;
- Health plans must disclose how their out-of-network payments compare to a standard reference point – FAIR Health’s “80th percentile benchmark” – and provide cost estimates for common procedures;
- An independent dispute resolution process for emergency services and surprise bills also will use the 80th percentile benchmark as a reference point among other factors.

Under the law, the source of the 80th percentile benchmark must be an independent nonprofit to ensure that the information is fair and impartial. The state recently announced that plans and others can use the 80th percentile benchmarks reported by [FAIR Health](#), the independent, not-for-profit organization providing healthcare data to all groups in the healthcare sector, to comply with the law’s requirement of a foundational reference point. Committed to bringing transparency to healthcare costs, FAIR Health maintains the nation’s largest repository of private claims charge data, currently holding more than 18 billion claims, including more than 1.4 billion claims for services in New York State. Benchmarks issued by FAIR Health are based on data that have been validated using statistical methodologies developed by experts.

“In our consumer outreach, we have witnessed how complicated the health insurance system can be for patients. We have heard from people who have thoroughly researched procedures and providers only to be surprised when they received balance bills for unexpected out-of-network charges,” said Robin Gelburd, president of FAIR Health. “Based on our unbiased and robust database, the disclosures and explanations required by the new law will undoubtedly have a profound impact on New York’s healthcare system.”

The law requires consumers to conduct their own research to qualify for certain protections. For example, to be protected against surprise charges for out-of-network services, consumers must research their health plans and providers, including doctors, hospitals and any other facilities, to make sure they are in the plan’s network. In addition, to ensure that a patient only has to pay in-network rates for emergency care, a patient must be treated for a true medical or mental health emergency, such as conditions that could lead to death, serious disability or disfigurement.

About FAIR Health

FAIR Health is a national, independent, nonprofit corporation dedicated to bringing transparency to healthcare costs and health insurance information through comprehensive data products, consumer resources and health systems research support. FAIR Health uses its database of billions of billed medical and dental services to power an award-winning free website (www.fairhealthconsumer.org). For more information, visit fairhealth.org.

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