Unconscious John

When leaving the office at the end of his workday, John tripped on the stairs, fell and was rendered unconscious. After a coworker called 911, an ambulance arrived and John was transported to the emergency room of the nearest local hospital. Following x-rays, lab tests and a few hours of observation, John was discharged. A family member drove him home.

Unknown to John, his coworker and the 911 dispatcher, the ambulance company that transported him to the emergency room did not have a provider contract with his health plan. The ambulance company billed $1,200 for the one-way transport. The customary member rate of John's HMO for this transport was $500. After receiving $500 from John's HMO, the ambulance company billed the $700 balance to John. Even though John obviously did not have a reasonable opportunity to select a network ambulance company, his HMO refused to intervene and relieve him of the $700 balance.

Mary and the Endocrinologist

Mary had been a member of the same PPO plan for 28 years. During this time, she had been particularly diligent in selecting network providers, in part because of less exposure to out of pocket deductibles and coinsurance, but mostly because of the protection she received from balance billing by staying in network.

Mary's medical history included congestive heart failure and diabetes mellitus. While she continued to have cardiac issues, Mary believed her diabetes had been under control for the past several months. After being admitted on an elective basis to a network hospital by her network cardiologist for a routine procedure, Mary's blood sugar laboratory results were so elevated that her cardiologist suggested a pre-procedure consultation by an endocrinologist. Mary did not see the landmine in front of her, in part because she knew she was in a network hospital and attended to by a network cardiologist, but mostly because of her emotional state after just receiving distressing news about her diabetes while lying in a hospital bed with an IV line in each arm. It is next to impossible for your primary thought to be your right to choose a network provider when you are feeling scared and vulnerable at the moment. The endocrinologist was out of network (OON) and did not disclose his status to Mary.

Mary's first inkling that had that she inadvertently used an OON physician came a few days after discharge when she received a $900 bill from the consulting endocrinologist. Three weeks later, she received an Explanation of Benefits (EOB) from her health plan. The EOB explained that she was being penalized financially for using an OON endocrinologist. The penalty was steep - the entire $900 provider charge. Her PPO did not pay anything on this claim because Mary's coverage included a $1,500 deductible for OON services. If Mary had used a network endocrinologist, the entire claim would have been resolved between her PPO and the endocrinologist - Mary would not have incurred any financial responsibility.