Freestanding ERs: Astronomical costs tell the real story

AVERAGE TOTAL ER COSTS IN MAJOR METRO AREAS

<table>
<thead>
<tr>
<th>Year</th>
<th>FSER</th>
<th>Hospital-Based Emergency Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,431</td>
<td>$1,371</td>
</tr>
<tr>
<td>2013</td>
<td>$1,622</td>
<td>$1,497</td>
</tr>
<tr>
<td>2014</td>
<td>$1,830</td>
<td>$1,807</td>
</tr>
<tr>
<td>2015</td>
<td>$2,108</td>
<td>$1,972</td>
</tr>
<tr>
<td>2016</td>
<td>$2,630</td>
<td>$2,238</td>
</tr>
</tbody>
</table>

Average allowed cost per free-standing visit is now $120 more than a hospital-based visit.

AVERAGE TOTAL ER COSTS STATEWIDE

<table>
<thead>
<tr>
<th>Year</th>
<th>FSER</th>
<th>Hospital-Based Emergency Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,371</td>
<td>$1,726</td>
</tr>
<tr>
<td>2013</td>
<td>$1,497</td>
<td>$1,829</td>
</tr>
<tr>
<td>2014</td>
<td>$1,807</td>
<td>$1,972</td>
</tr>
<tr>
<td>2015</td>
<td>$2,238</td>
<td>$2,115</td>
</tr>
</tbody>
</table>

Free-standing ERs had a 63% increase in costs as opposed to a 23% increase in costs for hospital-based ERs.
Where you go Matters

The chart below illustrates the out-of-pocket costs consumers face when using each type of care.

**Doctor’s Office**
- Office hours vary
- Generally the best place to go for non-emergency care
- Doctor-to-patient relationship established and therefore able to treat, based on knowledge of medical history
- Average wait time is 24 minutes

**Retail Health Clinic**
- Based upon retail store hours
- Usually lower out-of-pocket cost to you than urgent care
- Often located in stores and pharmacies to provide convenient, low-cost treatment for minor medical problems

**Urgent Care Provider**
- Generally includes evenings, weekends and holidays
- Often used when your doctor’s office is closed, and there is no true emergency
- Average wait time is 11-20 minutes
- Many have online and/or telephone check-in

**Hospital ER**
- Open 24 hours, seven days a week
- Average wait time is 4 hours, 7 minutes
- Multiple bills for services such as doctor and facility
- Some freestanding ERs are owned by in-network hospitals. You’ll likely pay less at a contracted emergency department or hospital FSER. You may only be responsible for your copay and coinsurance if you’ve met your deductible.

**Freestanding ER**
- Open 24 hours, seven days a week
- Could be transferred to a hospital ER based on medical situation
- Multiple bills for services such as doctor and facility
- Many freestanding ERs are out-of-network. If you receive care from an out-of-network provider, you may have to pay more. Providers outside the network may “balance bill” you, which means they may charge you more than your health plan’s fee schedule.

Increasing out of pocket costs for patients

- **102% Increase** at Freestanding ERs
- **55% Increase** at Hospital-based Emergency Departments
- **17% Increase** at Urgent Care Clinics

Legislation Passed to Protect Texas Health Care Consumers

Blue Cross and Blue Shield of Texas (BCBSTX) is committed to the continual pursuit of making the health care system work. The following new reforms demonstrate solid progress in protecting our members, and all Texas health care consumers. It’s part of the work BCBSTX has been doing for nearly 90 years to provide our members access to quality, cost-effective health care. Our members, and indeed Texans, should not expect, nor accept, anything less.

- **Senate Bill 507** expanded mediation protections to include freestanding emergency rooms as well as other out-of-network emergency providers to all PPO insurance plan holders.
- **House Bill 3276** requires independent freestanding ERs to be more transparent when it comes to their insurance network status.

1 Medical Practice Pulse Report 2009, Press Ganey Associates
2 Urgent Care Benchmarking Study Results. Journal of Urgent Care Medicine, January 2012.

Note: The relative costs described here are for independently contracted network providers. Your costs for out-of-network providers may be significantly higher. Wait times described are just estimates.