

Court Rules in Favor of Balance Billing by Non-Contracted Emergency Providers

From the [article](#):

A trial judge of the California Superior Court in Los Angeles recently rejected a health plan's assertion that non-network, emergency providers are barred from billing patients for the excess of the amount billed by the providers and the amount paid by the health plan. In *Prospect Health Source Medical Group v. St. John's Emergency Medical Specialist, Inc.* (Case No. SC076909), the plaintiff was an IPA that contracted with health plans and assumed financial responsibility for payment of physician and hospital services to enrollees. Plaintiff argued that the Medicare allowable rate is, as a matter of law, reasonable compensation for emergency medical services. The plaintiff then argued that the acceptance of partial payment from the IPA at the Medicare allowable rate created an "implied contract" to accept the Medicare allowable rate as payment in full. The plaintiff reasoned that since California's Knox-Keene Act (Health & Safety Code sections 1375, et seq.) prevented "balance billing" by providers operating under both written and oral contracts with health plans (i.e., Health & Safety Code Section 1379(b)), non-contracted emergency providers operating under an "implied contract" to accept the Medicare allowable rate may not engage in "balance billing."