

1 [Supporting California State Assembly Bill No. 1611 (Chiu) - Emergency Hospital Services]

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3 **Resolution supporting California State Assembly Bill No. 1611, authored by Assembly**
4 **Member David Chiu, which would extend consumer protections from the practice of**
5 **“balance billing” to all privately-insured patients at San Francisco General Hospital.**
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7 WHEREAS, San Francisco General Hospital (SF General) is the City and County of
8 San Francisco’s premiere – and only – Level 1 trauma and emergency service institution,
9 caring for some 108,000 patients per year, including almost 4,000 trauma cases and more
10 than 83,000 psychiatric and medical emergency department visits annually; and

11 WHEREAS, The vast majority of patients at SF General Hospital have Medi-Cal,
12 Medicare or are uninsured, and only 6.2% of patients have private commercial insurance and
13 come to SF General Hospital for trauma and emergency services; and

14 WHEREAS, SF General is an “out-of-network” institution, and, while private insurance
15 companies have generally been unwilling to negotiate with SF General to agree on billing
16 rates for services received by the hospital’s relatively small population of privately-insured
17 patients, those private insurers are nevertheless billed for those services; and

18 WHEREAS, The practice of “balance billing” occurs when a patient’s insurance covers
19 only a portion of a hospital bill, leaving the patient responsible for the remainder of the bill; and

20 WHEREAS, On September 23, 2016, California Governor Jerry Brown signed
21 Assembly Bill No. 72 (Bonta), which extended consumer protections from balance billing to
22 patients with HMO plans who receive emergency services at out-of-network facilities; and

23 WHEREAS, For the remaining insured patients with PPO health insurance plans, who
24 constitute about 3.8% of patients who visit SF General, if a private insurer does not cover the
25 whole amount of their bill, they are left with the outstanding balance of the bill; and

1 WHEREAS, Insurance companies - not patients or taxpayers - should be responsible
2 for covering the costs of trauma center care for privately insured patients; and

3 WHEREAS, While patients subject to balance billing are a small percentage of the
4 patients served by SF General Hospital, that percentage nevertheless represents upwards of
5 1,700 patients with PPO plans last year who were potentially affected by balance billing; and

6 WHEREAS, By the Department of Public Health's own estimate, somewhere between
7 5,000 and 6,000 privately-insured patients over the past four years have been left struggling
8 to pay the balance of their bills, which balances in some instances are in the tens of
9 thousands of dollars; and

10 WHEREAS, On February 22, 2019, Assembly Member Chiu and principal coauthor
11 Senator Wiener introduced Assembly Bill No. 1611 (AB 1611) to further extend consumer
12 protections from balance billing to privately-insured patients with PPO plans, ensuring that
13 those patients will owe the same copayment or deductible at out-of-network institutions like
14 SF General that they would pay for in-network emergency care; and

15 WHEREAS, The Board of Supervisors acknowledges continued deliberations and
16 study to fairly define "Reasonable Charges" in Section 1317.2a of AB 1611 in such a way that
17 does not place undue burden on taxpayers; now, therefore, be it

18 RESOLVED, The Board of Supervisors of the City and County of San Francisco hereby
19 urges the California State Legislature and the Governor to pass Assembly Bill No. 1611; and,
20 be it

21 FURTHER RESOLVED, The San Francisco Board of Supervisors hereby directs the
22 Clerk of the Board to send a copy of the resolution to the City's State Legislature and the City
23 Lobbyist upon passage.
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