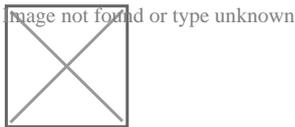


## ProPublica Investigates Freestanding ER Price Gouging in Texas

### Description

By: Jamie Dudensing



Over the weekend, national investigative journalism organization ProPublica published an [article](#) demonstrating how freestanding emergency rooms are price gouging Texas patients. In this case—as in hundreds of others around the state—a **freestanding ER billed a Houston woman \$2,500 for her son’s drive-thru COVID-19 test**. The test itself was only \$175, but the facility tacked on \$2,300 in unnecessarily high facility and physician fees.

A manager with the SignatureCare facility defended the charges by saying the facility must treat all cases like possible emergencies—**but that isn't true**. While freestanding ERs are only licensed to treat patients in emergency situations, there is no law or regulation that forces them to treat patients who are clearly not experiencing an emergency. Additionally, freestanding ERs can charge whatever they want for facility and physician fees, which means **they are actively choosing to bill COVID patients exorbitant amounts** instead of reducing or waiving these costs for COVID-19 tests.

Unfortunately, this behavior is in line with how most Texas freestanding ERs have operated for years. Their unethical behavior is so well-documented that the 2019 Texas Legislature specifically targeted these facilities with two consumer protection laws, HBs [2041](#) and [1941](#), aimed at preventing [freestanding ERs from misleading and price gouging patients](#). The freestanding ER industry is also the [subject of an inquiry](#) by the U.S. House of Representatives for COVID test price gouging.

## Key Quotes

- *The more she read, the more annoyed de Cordova became. SignatureCare charges a “facility fee” for treatment, the document said, ranging “between five hundred dollars and one hundred thousand dollars.” Another charge, the “observation fee,” could range from \$1,000 to \$100,000.*
- *She changed her mind and decided she'd pay the \$175 out-of-pocket for her test. But when the SignatureCare nurse came to collect the paperwork, de Cordova said the nurse told her, “You can't do that. It's insurance fraud for you to pay for our services once we know you have insurance.”*
- *The test charge was indeed \$175. But the total balance, including the physician and facility fees associated with an emergency room visit, came to \$2,479... **“You're getting a drive-thru test, and they're pretending like they're giving you emergency services,”** de Cordova said.*

- **Charging \$2,479 for a drive-thru COVID-19 test is a “nauseating” example of profiteering during a pandemic**, said Niall Brennan, president and CEO of the Health Care Cost Institute.
- Some of the facilities appear to be using COVID-19 testing to draw in patients so their insurance plans can be charged for additional services, said Blake Hutson, associate state director for AARP Texas... “It’s not a surprise they would be racking up the charges and adding on everything they can and billing the health plan,” he said.
- ProPublica identified several apparent errors and contradictions in the medical record and billing documentation. For example, the notes in the medical record alternately refer to the boy as “symptomatic” and “asymptomatic.” The record also says the physical exam showed a skin wound that “was not red, swollen or tender,” but the child had no wound of any kind, the family said.
- It’s an emergency room, he said, so patients should expect emergency room fees. **Patients who do not have a medical emergency should not come, [SignatureCare manager Dr. Dr. Hashibul Hannan] said, though the ER allows patients to book appointments a day in advance for a COVID-19 test.**

To read ProPublica’s full article, [click here](#).

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