



TAHP Urges State Leaders to Address COVID Test Price Gouging

Description

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TAHP sent a [letter to state officials](#) opposing the Texas Association of Freestanding Emergency Centers' (TAFEC) [recent](#) request for a waiver or rule change that would allow them to provide non-emergent care, including COVID-19 testing. Under their current licensure, freestanding emergency rooms (FSERs) may only provide medical care in emergency situations.

TAHP's opposition to the FSER industry's request is based on their long history of price gouging, surprise billing, and misleading Texas patients—as well as [many recent examples](#) that show they are taking advantage of the COVID-19 pandemic to price gouge patients for testing and charge for unnecessary additional tests and services.

While most providers charge about \$100 – \$250 per test, some providers—primarily FSERs—are price gouging Texans with charges of over \$1,000. Many FSERs also regularly pile on thousands of dollars more in physician, facility, observation, and other unnecessary fees and tests associated with the visit. These combined charges are often more than 2,000% of what Medicare pays. In many of these cases, Texas patients

received drive-thru testing where no real medical care was delivered other than the COVID-19 test.

[If the trend of skyrocketing COVID-19 testing prices continues](#), Texans and Texas employers will eventually be on the hook for more expensive health insurance premiums. With some projections showing COVID-related costs to the health insurance industry of \$30B to \$547B over the next two years—as well as a potential 40% premium increase—it's a particularly bad time to let unfair billing practices contribute to the overall cost of health care.

No Texan should have to worry about receiving a surprise bill or being price gouged for health care—certainly not during a global pandemic. These profit-driven tactics negatively affect affordability for everyone, especially in the long term. It has never been more important to rid our health care system of unfair billing practices.

Solutions to Protect Texas Patients From Excessive COVID-19 Testing Prices

To protect Texas patients and businesses from excessive pricing for COVID-19 testing and care, the State of Texas should:

- Prohibit excessive fees, including observation and facility fees, for all drive-thru and asymptomatic testing.
- Enforce requirements that all providers post their true test prices.
- Expand Texas' surprise billing protections to cover all providers and all COVID-19 treatment and care.
- Enforce current laws regulating FSERs to avoid inappropriate care, excessive charges, and surprise balance billing.
- Use existing authority to protect patients by going after bad-acting providers that price gouge Texas patients at prices well above what is typically charged in the market.

Many states have committed to combating fraud and price gouging during the COVID-19 crisis. TAHP and our member plans are fully supportive of stronger state and federal action aimed at preventing price gouging and

prohibiting surprise billing for all Texans on COVID-19-related health care.

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