

What are freestanding emergency rooms?

Independent freestanding emergency rooms (FSERs) are walk-in medical facilities that are structurally separate and distinct from hospitals, but still receive patients for emergency care. There are two types of FSERs: 1) hospital-owned FSERs and 2) independent FSERs that are not affiliated with a hospital system. Independent FSERs are chronically out of network. They often set up in commercial shopping areas of suburban communities and look and feel much like a traditional urgent care facility, although they are much more expensive.

What makes freestanding emergency rooms so expensive?

Independent freestanding ERs charge consumers expensive "hospital-based" facility fees even though they are not a hospital. Consumers often seek care from freestanding ERs for common conditions like a cold or cough, believing that these facilities will charge the same as look-alike urgent care centers. However, freestanding ERs levy "facility fees" like traditional hospital-based ERs on top of charges for the physician's services, who are almost always out of network. As a result, consumers who visit freestanding ERs are often charged up to 10 times what they would have been charged at an urgent care facility. (1)

Do freestanding ERs offer the same services as traditional hospital ERs?

While freestanding ERs are equipped to handle emergency care, they are not always equipped to treat the full range of illnesses and emergencies that traditional hospital ERs treat, which can result in patients being transferred to hospital ERs and billed twice for an emergency.

Independent FSERs also find more services to charge for than traditional hospital ERs.

Independent Freestanding ERs in Texas have nearly 3x more ancillary costs (Lab & Path, Radiology) for the same diagnoses codes than hospital-based ERs and more than 40x more than urgent care centers. Independent FSERs, not affiliated with a hospital system, are also chronically out-of-network, which means patients will have to pay higher prices that can be 2x more than hospital emergency rooms.(2)

(1) "Utilization Spot Analysis: Free Standing Emergency Departments," Center for Improving Value in Health Care, July 2017

(2) Major TX Insurer Health Claim Data..

(3) "Where Do Freestanding Emergency Departments Choose to Locate? A National Inventory and Geographic Analysis in Three States," Annals of Emergency Medicine 2016

(4) Source: "Freestanding ERs Find A Home In Wealthy Areas," Texas Tribune, August 2015

This legislative advertising was paid for by the Texas Association of Health Plans, Jamie Dudensing, CEO, and authorized by Texans for Affordable Healthcare, a coalition of businesses, patients, health plans, and Texas leaders who want to share the truth about freestanding emergency rooms. Texas Association of Health Plans, 1001 Congress Ave. Suite 300, Austin, TX 78701

Are freestanding ERs improving access to healthcare for Texans?

No, they're not. Freestanding ERs in Texas typically do not set up shop in areas where there is reduced access to care. Instead, they are highly concentrated in areas where there are already a greater number of hospital-based ERs and physician offices. (3) Additionally, they rarely serve uninsured and low-income populations that all traditional ERs are required to serve. A Texas Tribune study found that Texans in the neighborhoods where freestanding ERs have opened earn 49 percent more income than the state average. (4)

Are freestanding ERs unique to Texas?

FSEs are not unique to Texas, although we do have more than any other state. Texas is home to more than 200 FSEs - that's more than half of the nation's total population of these facilities. With more FSEs sprouting up across the state, now more than ever we must take action to rein in their unfair and misleading billing practices.

What is Texans for Affordable Healthcare doing to rein in freestanding ERs?

Texans for Affordable Healthcare is advocating for private-market legislative solutions to protect Texans, which include increasing cost transparency and network status at freestanding ERs, expanding surprise billing protections for consumers to all freestanding ERs, and holding bad actors accountable for exploiting patients through misleading advertising and exorbitant pricing.

What can patients do to avoid falling prey to freestanding ERs' deceptive advertising and billing practices?

First and foremost, healthcare consumers must educate themselves to recognize the differences between an urgent care facility and a freestanding ER and avoid visiting the latter whenever possible. Understanding the differences between the two could save a Texas consumer thousands of dollars. Second, Texans should save emergency room visits for when they truly need them - up to 65 percent of ER visits are treatable by an urgent care center. Finally, patients should specifically ask whether or not the ER facility they are visiting is in-network for their health insurer. But be warned - FSEs will tell you they accept all insurance. This is not the same as being in your insurance network. Know the difference and don't be misled. Patients are not protected from high prices, over-billing, overcharging, and surprise billing at out-of-network freestanding ERs.