

# The Free Market Doesn't Work for Emergency Room Services, Right? Another Red Pill for You!

---

Christion Rice, MD, MBA  
Managing Partner Oklahoma ER & Hospital  
August 6, 2021

# Even Emergency Rooms Can Bundle Payments, Provide Price Transparency, and Contract Directly

---



# Agenda

---

- The Problem
  - US Healthcare Market
  - Emergency Room Services Market
- A Free Market Solution
- Challenges and Difficulties
- Looking Forward



# Emergency Physician @ FMMA?

---

Emergency Physician

Managing Partner –

Oklahoma ER & Hospital

Tulsa ER & Hospital

Ally Medical ER

Central Austin

Round Rock

Bastrop

Spring

South Austin

Physicians Premier ER Cibolo

Access Medical Care Urgent Care

Total Care Urgent Cares

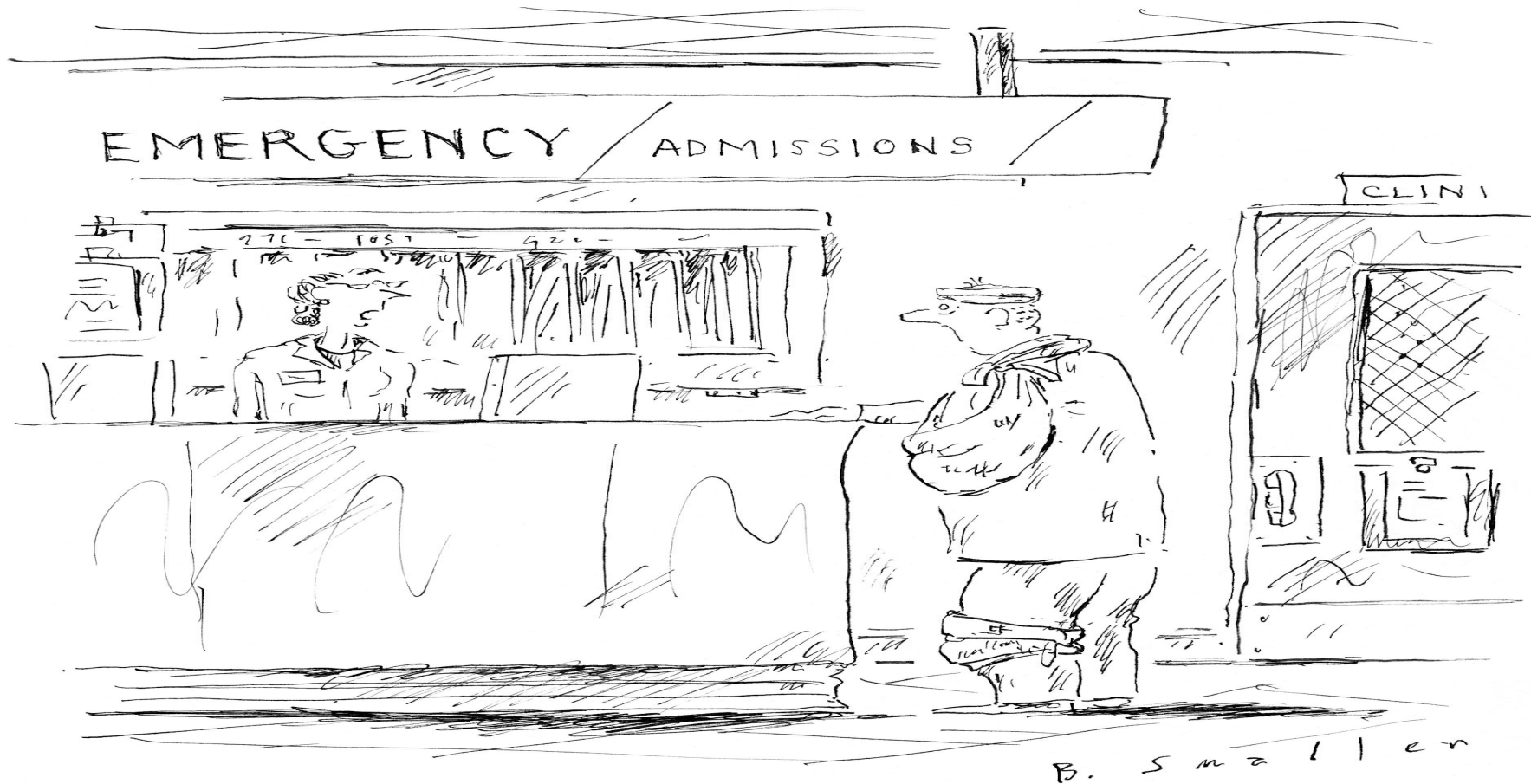
RICETX Consulting



**FREE MARKET**  
MEDICAL ASSOCIATION



# THE PROBLEM



*"There will be a bit of a wait while we figure out a market solution to your problem."*

CartoonStock.com

**FREE MARKET**  
MEDICAL ASSOCIATION

# The Free Market Problem with Emergency Room Services

## The Claim:

Free market principles are not possible with ER services

- Distorted market
- Charge vs pricing discrepancy



**FREE MARKET**  
MEDICAL ASSOCIATION

- Professional and institutional ER services uncoupled
- Out of Network, Balance Billing, Surprised Billing Issues
- Unpredictable utilization of services
- Emergent service prior to payment

# US Healthcare Market

**“A Perpetual Absurdity”**

- Employee benefit model with a non-fiduciary middle-man
- CMS rate-setting and regulation untethered to a fair market
- Unaccountable bureaucracy
- Regulatory and legislative power  
AHA, BACUs



**FREE MARKET**  
MEDICAL ASSOCIATION



- ERISA
- Control of the Media Narrative
- Federal Legislation > Government Control > Market Distortion
- Self-employed ASO plans

# Emergency Room Market

- CMS rate setting
- Unfunded regulatory obligation (EMTALA)
- Patient Responsibility Levels
- Obligation to charge prevailing regional rate
- Variation in reimbursement rates



- Institutional E/M level coding
- Staffing Companies > Balance Billing > Surprise Billing
- Affordable Care Act
- No Surprise Bills Act (2022)

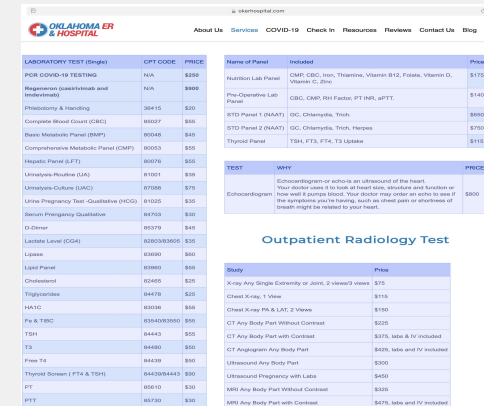


# Example of a Solution

## Oklahoma ER & Hospital

The price for services can and should be lowered when a fair and direct arrangement is in place

- Bundled pricing for tiered prompt payment
- Direct contracting with employers
- Referenced based pricing for TPAs



The screenshot displays the Oklahoma ER & Hospital website with a navigation bar including links for About Us, Services, COVID-19, Check In, Resources, Reviews, Contact Us, and Blog. Below the navigation bar, there are two tables. The first table, titled 'LABORATORY TEST (Single)', lists various tests with their CPT codes and prices. The second table, titled 'Outpatient Radiology Test', lists radiology services with their CPT codes and prices. A third table, titled 'TEST WHY PRICE', provides a brief explanation for each test and its price.

LABORATORY TEST (Single)	CPT CODE	PRICE
PCR COVID-19 TESTING	N/A	\$800
Regeneration (Qualitative and Quantitative)	N/A	\$800
Phlebotomy & Handling	36415	\$20
Complete Blood Count (CBC)	85027	\$36
Basic Metabolic Panel (BMP)	80048	\$45
Comprehensive Metabolic Panel (CMP)	80053	\$56
Hepatic Panel (HPT)	80076	\$56
Urinalysis Routine (UA)	81001	\$36
Urinalysis Culture (UAC)	87088	\$75
Urine Pregnancy Test - Qualitative (HCG)	81025	\$36
Serum Pregnancy Qualitative	84703	\$30
C-Chlamy	86079	\$48
Latex Level (CCA)	82030/82035	\$35
Lipase	83080	\$80
Lipid Panel	83080	\$86
Cholesterol	83480	\$26
Triglycerides	84478	\$26
HbA1c	84566	\$86
Pw & TBC	85040/85090	\$50
TSH	84443	\$55
T3	84485	\$50
Free T4	84439	\$50
Thyroid Screen (T4 & TSH)	84439/84443	\$50
TFT	84410	\$56
TFT	84730	\$50

Name of Panel	Included	Price
Nutrition Lab Panel	CMR, CBC, Iron, Transferrin, Vitamin B12, Folate, Vitamin D, Vitamin C, Zinc	\$175
Pre-Operative Lab Panel	CBC, CMP, BUN, Creatinine, PT, INR, aPTT	\$140
STD Panel 1 (RMA1)	GC, Chlamydia, Trich	\$900
STD Panel 2 (RMA2)	GC, Chlamydia, Trich, Herpes	\$750
Thyroid Panel	TSH, FT3, FT4, T3 Uptake	\$115

TEST	WHY	PRICE
Cholesterologram or activity as an ultrasound of the heart	Cholesterologram or activity as an ultrasound of the heart	\$500
Cholesterologram - One and a half hours	Cholesterologram - One and a half hours	\$500

Study	Price
X-ray Any Single Extremity or Joint, 3 views/3 views	\$75
Chest X-ray, 1 View	\$115
Chest X-ray PA & LAT, 2 Views	\$130
CT Any Body Part Without Contrast	\$225
CT Any Body Part with Contrast	\$275, Side & IV included
CT Angiogram Any Body Part	\$325, Side and IV included
Ultrasound Any Body Part	\$300
Ultrasound Pregnancy with Labs	\$450
MRI Any Body Part Without Contrast	\$325
MRI Any Body Part with Contrast	\$475, Side and IV included

- Direct Primary Care referrals
- Transparent outpatient services

 <a href="#">About Us</a> <a href="#">Services</a> <a href="#">COVID-19</a> <a href="#">Check In</a> <a href="#">Resources</a> <a href="#">Reviews</a> <a href="#">Contact Us</a> <a href="#">Blog</a>		
LABORATORY TEST (Single)	CPT CODE	PRICE
PCR COVID-19 TESTING	N/A	\$250
Regeneron (casirivimab and imdevimab)	N/A	\$900
Phlebotomy & Handling	36415	\$20
Complete Blood Count (CBC)	85027	\$55
Basic Metabolic Panel (BMP)	80048	\$45
Comprehensive Metabolic Panel (CMP)	80053	\$55
Hepatic Panel (LFT)	80076	\$55
Urinalysis-Routine (UA)	81001	\$35
Urinalysis-Culture (UAC)	87088	\$75
Urine Pregnancy Test -Qualitative (HCG)	81025	\$35
Serum Pregnancy Qualitative	84703	\$30
D-Dimer	85379	\$45
Lactate Level (CG4)	82803/83605	\$35
Lipase	83690	\$60
Lipid Panel	83960	\$55
Cholesterol	82465	\$25
Triglycerides	84478	\$25
HA1C	83036	\$55
Fe & TIBC	83540/83550	\$55
TSH	84443	\$55
T3	84480	\$50
Free T4	84439	\$50
Thyroid Screen ( FT4 & TSH)	84439/84443	\$90
PT	85610	\$30
PTT	85730	\$30

Name of Panel	Included	Price
Nutrition Lab Panel	CMP, CBC, Iron, Thiamine, Vitamin B12, Folate, Vitamin D, Vitamin C, Zinc	\$175
Pre-Operative Lab Panel	CBC, CMP, RH Factor, PT INR, aPTT.	\$140
STD Panel 1 (NAAAT)	GC, Chlamydia, Trich.	\$650
STD Panel 2 (NAAAT)	GC, Chlamydia, Trich, Herpes	\$750
Thyroid Panel	TSH, FT3, FT4, T3 Uptake	\$115

TEST	WHY	PRICE
Echocardiogram	Echocardiogram-or echo-is an ultrasound of the heart. Your doctor uses it to look at heart size, structure and function or how well it pumps blood. Your doctor may order an echo to see if the symptoms you're having, such as chest pain or shortness of breath might be related to your heart.	\$800

### Outpatient Radiology Test

Study	Price
X-ray Any Single Extremity or Joint, 2 views/3 views	\$75
Chest X-ray, 1 View	\$115
Chest X-ray PA & LAT, 2 Views	\$150
CT Any Body Part Without Contrast	\$225
CT Any Body Part with Contrast	\$375, labs & IV included
CT Angiogram Any Body Part	\$425, labs and IV included
Ultrasound Any Body Part	\$300
Ultrasound Pregnancy with Labs	\$450
MRI Any Body Part Without Contrast	\$325
MRI Any Body Part with Contrast	\$475, labs and IV included



## SELF PAY PRICING SHEET

**Level 1** **\$250.00**

*Physician evaluation, prescriptions*

**Level 2** **\$550.00**

*Tier 1 +EKG, Point of Care testing, PO Meds*

**Level 3** **\$1050.00**

*Tier 2 +Basic lab testing, Injectable medications, basic plain film x-ray, ortho devices*

**Level 4** **\$1250.00**

*Tier 3 +IV Therapy, Ultrasound, Multiple X-rays, Invasive procedures, complicated laceration repair, complicated fracture*

**Level 5** **\$1500.00**

*Tier 4 +any CT exam and or transfer to inpatient hospital*

**Level 6** **\$2750.00**

*Level 5 +Observation Care*



**FREE MARKET**  
MEDICAL ASSOCIATION



# Challenges

---

- Traditional pathway
- Revenue Cycle Management team
- Uncompensated care
- Unnecessary utilization concerns



- 
- Federal and State regulations
  - Hostile Market
  - Additional Services
  - Special interest power

# Looking Forward

---

- Bundled pricing first, traditional insurance second
- Free Market patient population > 70% of volume
- Complete price transparency
- Additional regional facilities

# Looking Forward

---

- Bundle payments for TPAs
- Expanding services
- Integrating urgent care



# Is This Solution Reproducible?



**FREE MARKET**  
MEDICAL ASSOCIATION

# Questions?

[crice@okerhospital.com](mailto:crice@okerhospital.com)



**FREE MARKET**  
MEDICAL ASSOCIATION