PATIENTS SHOULD NOT HAVE TO SETTLE FOR SUBPAR PROTECTIONS AGAINST SURPRISE MEDICAL BILLS

- A substantial effort is underway by some in the House to include legislation to address surprise medical bills in a year-end package. This attempt is being made during a public health crisis and would benefit insurance companies by stripping nearly $20 billion from providers serving on the front lines of the COVID-19 pandemic. Meanwhile, hospitals, physicians and other providers continue to seek common ground on this important issue.
- Hospitals and health systems **are deeply concerned about the effect of unanticipated medical bills on our patients**, which could impact their out- of-pocket costs. **Protecting patients from surprise medical bills is a top priority for the AHA and all of our members. Equally important to the AHA is patient access to hospital care.**
- However, **we oppose legislative proposals that set a default payment rate for out-of-network services**. While no legislative language has been provided, we understand the proposal would include a prohibition on balance billing and rely on rate setting to establish an initial payment, with an opportunity for providers to dispute the payment.
- **Congress should not include in any end-of-the year legislation harmful provisions that rely on an arbitrary government rate**, as this would jeopardize patient access to hospital care.

  The latest "solution" would strip **$17 billion to $20 billion** from providers.

  80% of these "savings" would come from **in-network** providers — the very providers who cannot surprise bill patients.
- And patients would likely not see a dime. The money would go to insurers, and nothing in the legislation would stop them from adding it to the record profits they've amassed during the COVID-19 global pandemic by pocketing patients' unspent premiums.
- **Instead, Congress should protect patients from surprise medical bills while preserving the appropriate role of providers and insurers in negotiating payment rates.**

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FACTS ABOUT THE SURPRISE MEDICAL BILLING "SOLUTION"

1. This "solution" would use government rate-setting to address surprise medical bills and ignores the concerns raised by providers. **This is not an agreement or compromise between providers and insurance companies.**

2. The estimated savings would come from IN-NETWORK health care providers, not out-of-network providers that may send surprise bills. According to the Congressional Budget Office: "The vast majority of health care is delivered inside patients' networks, and more than 80% of the estimated budgetary effects of [the legislation] would arise from changes to in-network payment rates."

3. The savings would go to health plans, not consumers.

    - More than half of consumers in the commercial market are in self-funded (ERISA) plans, which are not required to return excess premiums to consumers. Even when consumers are eligible for rebates, they rarely receive them.

    - The COVID-19 pandemic has led some insurers to voluntarily return a portion of their premiums to consumers, but only after the plans earned record profits.

4. Most out-of-network billing is done by a few providers: for example, in Texas, 85% of out-of-network dispute resolution requests have come from "three large physician staffing and billing firms;" and yet this agreement would disrupt ALL health care markets.

Sources:

1. www.kff.org/report-section/ehbs-2020-section-10-plan-funding/
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3. www.cbo.gov/system/files/2019-07/s1895_0.pdf
4. www.tdi.texas.gov/reports/documents/SB1264-preliminary-report.pdf

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