

August 7, 2019

The Honorable Steve Daines
United States Senate
320 Hart Senate Office Building
Washington, DC 20510

Dear Senator Daines:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is pleased to express our support for the Competitive Health Insurance Reform Act of 2019 (S. 350).

S. 350 repeals the McCarran-Ferguson antitrust exemption available to commercial health insurers for anticompetitive conduct, including price fixing, bid rigging and market allocation. The AHA believes that the commercial health insurance industry should be governed by the same antitrust laws and policies that apply in other sectors of our economy, including hospitals and other health care providers. Any exemptions should be narrow and carefully tailored to achieve a pro-competitive purpose.

We have previously articulated our concerns to the Department of Justice's Antitrust Division about the abuse of market power by large commercial insurers; this remains a concern as large commercial insurers continue attempts to consolidate to the detriment of consumers. A recent article in Health Affairs confirmed that commercial insurers can use their consolidated market power to raise premiums by as much as 50 percent above the competitive price. Passage of S. 350 would further help prevent anticompetitive conduct and increase competition in the health insurance market.

We applaud your leadership on this issue and look forward to working with you to secure passage of this legislation. Please contact me if you have questions or feel free to have a member of your team contact Travis Robey, senior associate director for federal relations, at trobey@aha.org or (202) 626-2328.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President

