February 7, 2020

The Honorable Marcia Fudge
U.S. House of Representatives
2344 Rayburn House Office Building
Washington, DC 20515

Dear Representative Fudge:

On behalf of the 36 hospitals we represent across nine counties in Northeast Ohio, including virtually all of the acute-care facilities in your district, The Center for Health Affairs is writing to request your help on a developing policy issue.

Congress has been working to address a subject of considerable significance to the American public: surprise medical billing. As we conveyed in a letter to you in December, our member hospitals believe patients should be protected from receiving unexpected bills as a result of gaps in their insurance coverage or due to an emergency.

Late last year, leadership of the Senate Health, Education, Labor and Pensions Committee and the House Energy and Commerce Committee together announced an agreement on the issue. While legislative language is forthcoming, a summary of the proposal contains provisions of significant concern to hospitals. Specifically, the proposal includes rate-setting and contracting provisions that would, as outlined in our December letter, serve as a windfall to insurers and dramatically disrupt market dynamics, empowering large insurance companies substantially over local providers.

As the House Education and Labor Committee takes up consideration of surprise billing legislation, The Center for Health Affairs, on behalf of our hospital membership, urges you to reject price-setting provisions, or benchmark rates, as well as provisions that are not related to surprise billing, including policies that impede contracting between hospitals and health plans.

The Center for Health Affairs believes that a remedy to the issue of surprise medical billing should focus on a ban on balance billing. Hospitals and payers generally should be left to negotiate reimbursement for out-of-network claims without government interference; however, there may be a role for an alternative dispute resolution, or arbitration, process for physician claims. Arbitration allows for more market considerations than a benchmark rate. It also has been shown to encourage network participation and incentivize early resolution of reimbursement disputes. In fact, states with this process have very few claims make it to arbitration.

Thank you for considering our comments on this important issue, and for the work you do on behalf of your constituents in Northeast Ohio. Should you have any questions regarding this or other policy issues impacting healthcare, please don’t hesitate to contact me.

Sincerely,

Brian G. Lane
President & CEO