

COALITION AGAINST
SURPRISE MEDICAL BILLING

July 22, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Chuck Schumer
Minority Leader
U.S. Senate

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi and Minority Leader McCarthy,

We appreciate your continued work to lessen the devastating public health and economic hardships the global pandemic is causing Americans. As part of the next COVID-19 legislative package, the Coalition Against Surprise Medical Billing urges you to take bipartisan, comprehensive action to address surprise medical billing – one of the greatest health and affordability challenges facing millions of Americans. Despite temporary stop-gap regulations, patients and their families still face the serious threat of a surprise medical bill from out-of-network providers and private equity firms.

Now is the time for Congress to take action and safeguard families from these unfair charges.

Loopholes in previous COVID-19 relief legislation and regulatory guidance give out-of-network providers and private equity firms an easy pass to balance bill patients.

- The Trump Administration established common-sense guardrails for providers that accepted federal funding as part of the COVID-19 relief packages – and the HEROES Act takes that guidance a step further by incorporating those provisions into potential federal law. However, those policies have significant limitations.
- The initial regulations do not apply if a provider or private equity-backed staffing firm chooses to forego federal funding, leaving many patients still at risk for a surprise medical bill, especially if they receive non-COVID related care from an out-of-network provider in the midst of the pandemic. Recent news coverage has highlighted in detail how some private equity-backed providers are still looking to take advantage of patients.¹
- Further, Congress is aware of media and other reports about questionable practices and pricing specific to COVID-19 tests and related care. In response, it has sought information to further understand the vulnerabilities facing patients in light of an incomplete legal and regulatory surprise billing framework.²

¹ Heather Perlberg (May 2020). Bloomberg. How Private Equity Is Ruining American Health Care. <https://www.bloomberg.com/news/features/2020-05-20/private-equity-is-ruining-health-care-covid-is-making-it-worse>

² U.S. House Committee on Energy and Commerce (July 2020). “PALLONE REQUESTS INFORMATION FROM COMPANIES ON POTENTIAL COVID-19 TEST PRICE GOUGING.” <https://energycommerce.house.gov/newsroom/press-releases/pallone-requests-information-from-companies-on-potential-covid-19-test-price>

The cost of COVID-19-related care continues to increase, raising concerns about an unprecedented affordability crisis.

- Even before the COVID-19 crisis, two-thirds of Americans were worried about being able to afford an unexpected medical bill.³ The risk of a bankrupting medical bill is real – especially today, as Americans face the risk of a bill from an out-of-network provider during an emergency, during surgery, and even during a stay at an in-network hospital.⁴
- The COVID-19 pandemic exacerbates those financial fears. The estimated cost of coronavirus in-patient treatment for an individual patient is more than \$20,000, according to the Kaiser Family Foundation.⁵ For patients in “hotspots” across the country where COVID-19 cases continue to surge, the range in costs associated with hospital stays will leave a disproportionate financial burden on the most vulnerable Americans.⁶

The best way to financially protect patients and American workers from exorbitant medical costs associated with this and future outbreaks or pandemics is to put essential safeguards in place now that allow us to focus on strengthening our response in the future.

- This is accomplished by establishing fair, market-based payments for out-of-network reimbursement, which ensures that all Americans can benefit from protections against egregious pricing for essential medical care. It also extends vital protections against surprise medical bills during unexpected emergencies and for care provided at an in-network hospital.
- Both of these critical steps can put our health system and the country on stronger footing to make sure that we are delivering on our number one priority – getting patients and their families the critical care that they need when they need it.
- Fair, market-based pricing would also generate \$25 billion in savings back to taxpayers, employers and families – instead of producing a windfall for private equity firms – and is the right thing to do on behalf of millions of Americans and patients.

We appreciate your work thus far and we look forward to continuing to work with you and the Administration to ensure all Americans are protected from the egregious practice of surprise medical billing.

Sincerely,

The Coalition Against Surprise Medical Billing

³ Karen Pollitz, Matthew Rae, Gary Claxton, Cynthia Cox, Larry Levitt (February 2020). Peterson Center on Healthcare and Kaiser Family Foundation. An examination of surprise medical bills and proposals to protect consumers from them. <https://www.healthsystemtracker.org/brief/an-examination-of-surprise-medical-bills-and-proposals-to-protect-consumers-from-them-3/>

⁴ Kevin Kennedy, William Johnson, Jean Fuglesten Biniek (March 2019). Health Care Cost Institute. Surprise out-of-network medical bills during in-network hospital admissions varied by state and medical specialty, 2016. <https://healthcostinstitute.org/out-of-network-billing/oon-physician-bills-at-in-network-hospitals>

⁵ Matthew Rae, Gary Claxton, Nisha Kurani, Daniel McDermott, Cynthia Cox (March 2020). Kaiser Family Foundation. Potential costs of COVID-19 treatment for people with employer coverage. <https://www.healthsystemtracker.org/brief/potential-costs-of-coronavirus-treatment-for-people-with-employer-coverage/>

⁶ Chris Sloan, Nathan Markward, Joanna Young, Miryam Frieder, Lance Grady, Neil Rosacker, Alisa Vidulich (June 2020). Avalere Health. COVID-19 Hospitalizations Projected to Cost up to \$17B in US in 2020. <https://avalere.com/insights/covid-19-hospitalizations-projected-to-cost-up-to-17b-in-us-in-2020>