



Purchaser Business
Group on Health

December 6, 2021

The Honorable Xavier Becerra
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Martin J. Walsh
Secretary
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Secretaries Becerra, Yellen, and Walsh:

We want to commend your leadership in implementing the federal ban on surprise medical bills and new consumer protections included as part of the *No Surprises Act*. With those important reforms taking effect in just a few weeks, we want to underscore our support for the common-sense approach outlined in the rulemaking process that will protect consumers and lower health care costs while promoting a predictable, fair resolution process for all parties.

The importance of these federal protections cannot be overstated, especially for the many California families and those across the country who are covered under federally regulated health plans (those regulated by the *Employee Retirement Income Security Act (ERISA)*). The *No Surprises Act* takes the critical and important step of expanding the consumer protections passed in California state law under AB 72 to these consumers and their families so that no one will ever face the fear or threat of a bankrupting surprise medical bill.

We are also encouraged that the recent interim final rules recognize the need for a comprehensive approach to address out-of-network costs. Our experience in California with AB 72 reinforces the importance of reforms that directly address the inflationary cost pressures behind providers choosing to leave networks in order to surprise bill consumers while also expanding access to affordable, in-network care.¹

Five years after AB 72 was passed, California patients have seen notable increases in the number of doctors, specialists, and providers participating in health plan networks. A 2019 analysis from USC-Brookings Schaeffer Initiative for Health Policy found that compared with the period before the law was enacted, the percentage of anesthesiologists, pathologists, assistant surgeons, radiologists, and neonatalists included in-network had increased by an average of 17 percent.² A second analysis published in the *American Journal of Managed Care* also found that the state saw a 16 percent increase in the total number of physicians participating in health plan networks, including increases across a range of specialties (10% growth in emergency medicine, 1% in pathology, 18% in anesthesiology, and 26% in diagnostic radiology).³

¹ Health Access California. "Patients Protected, Providers Paid: Data from Three Year's California's Compromise to Stop Surprise Medical Bills." Sept. 2019. <https://health-access.org/wp-content/uploads/2019/10/ha-ab72-100319-final.pdf>

² Loren Adler, Erin Duffy, Bich Ly and Erin Trish. "California saw reduction in out-of-network care from affected specialties after the 2017 surprise billing law." USC-Brookings Schaeffer Initiative for Health Policy. Sept. 2019.

³ Jeanette Thornton. "Can We Stop Surprise Medical Bills AND Strengthen Provider Networks? California Did." AJMC. August 2019. <https://www.ajmc.com/view/can-we-stop-surprise-medical-bills-and-strengthen-provider-networks-california-did>

The *No Surprises Act* will help accelerate our efforts to protect consumers, improve the quality and affordability of their care, and address the longstanding market failures that contributed to a nationwide affordability crisis. We stand ready to make these historic and important reforms a reality for thousands of Californians and offer our continued support to ensure these protections are implemented as intended on January 1, 2022.

Sincerely,



Art Pulaski
Executive Secretary Treasurer
California Labor Federation
SM: OPEIU 29 AFL CIO



Anthony Wright
Executive Director
Health Access California



William E. Kramer
Executive Director for Health Policy
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Gary Cohen
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