

February 12, 2020

Wayne A. Smith President & CEO

The Honorable Lisa Blunt Rochester U.S. House of Representatives 1519 Longworth House Office Building Washington, DC 20515

## Delaware hospital providers strongly support the Consumer Protections Against Surprise Medical Bills Act of 2020 (H.R. 5826) approved by House Ways & Means

Dear Congresswoman Blunt Rochester:

Delaware hospital providers strongly support the Consumer Protections Against Surprise Medical Bills Act of 2020 (H.R. 5826) approved today by the House Ways & Means Committee. With dueling surprise billing proposals moving through House Committees, we respectfully request that you cosponsor and strongly support H.R. 5826, the best approach to tackling surprise medical bills.

This week the House Ways and Means Committee and the House Education and Labor Committee have approved separate legislation seeking to address surprise billing. Delaware hospitals strongly support the Ways & Means Committee bill, H.R. 5826, the most effective approach to address surprise billing. In addition, H.R. 5826 also more closely aligns with current Delaware patient protection law and efforts underway in the Delaware General Assembly to expand these protections. <u>We oppose the House</u> <u>Education and Labor surprise billing legislation</u> that seeks to impose arbitrary rates on providers, giving insurers an incentive to remove hospitals from their networks and force artificially low reimbursement rates, which limits access.

H.R. 5826 protects patients from surprise billing by prohibiting providers from balance billing patients for emergency services or medical care the patient reasonably could have expected to be in-network. The patients must not be charged more than the innetwork cost-sharing amount. The bill also adds a provision to ensure patients are removed from the payer-provider billing and reimbursement process by requiring that health plans accept when patients have assigned their benefits to the provider. This provision would require that plans reimburse providers directly, rather than sending reimbursement to the patient.

Under H.R. 5826, reimbursement for out of network services would be determined through negotiation between the provider and payer, or, if not resolved in a timely

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Delaware Healthcare Association Wayne A. Smith President & CEO manner, through a mediated dispute resolution process. The bill gives providers and health plans an opportunity to directly negotiate fair and appropriate reimbursement. This approach achieves the great objective of protecting patients from surprise bills without harming some of those same patients who would face reduced access to care in any system where insurers can rest on minimum rates.

We also support the mediated dispute resolution process as a backstop in case an agreement cannot be reached between providers and insurers. Importantly, this approach is similar to an arbitration backstop currently in Delaware law for emergency medical services provided by an out of network provider.

Thank you for your interest in addressing surprise medical billing. We respectfully request that support the Consumer Protections Against Surprise Medical Bills Act of 2020 (H.R. 5826) and reject alternative proposals that include harmful rate setting provisions. As always, I am more than happy to discuss this with you.

Sincerely,

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Wayne A. Smith President & CEO