



October 16, 2019

The Honorable Hank Vaupel
Michigan House of Representatives
Chairman, Health Policy Committee
N-896 House Office Building
P.O. Box 30014
Lansing, MI 48909

Re: House Bills 4459 and 4460, Surprise Billing

Dear Chairman Vaupel:

I write today on behalf of America's Health Insurance Plans¹ to support House Bills 4459 and 4460, which will protect patients from surprise medical bills and reign in out-of-control health care costs. These legislative proposals will take meaningful steps to protect consumers by:

- Prohibiting doctors from sending a surprise medical bill to patients in cases of emergency, involuntary care, or instances where the patient had no choice in their provider.
- Requiring non-participating providers to inform patients of their network status and possible options for seeking care from a different doctor, but not require patients to consent to out-of-network care.
- Setting reimbursement rates that will not increase premiums or impact access for consumers by basing amounts on market rates determined by percentage of Medicare.
- Avoiding the use of complex, costly, and opaque arbitration processes that can keep consumers in the middle and lead to higher premiums.

As the cost of health care continues to rise, we are committed to finding solutions to protect the financial stability of Michigan consumers and patients. A significant driver of high costs are exorbitant bills that millions of patients with comprehensive insurance coverage receive every year, demanding arbitrary fees for treatment by certain specialty medical doctors they did not seek out for care and, often, never even knew treated them.

In fact, at least one in five Americans receives a surprise medical bill every year. Not only do these expenses affect patients who need care, they drive up premiums, making health care less affordable and accessible for everyone.

In many cases, the charges bear no relation to the actual cost of care or market rates. For example, out-of-network anesthesiologists bill, on average, 580 percent of the Medicare reimbursement rate. For emergency medicine physicians, the charges can be even higher, with one study finding the average bill to be 798 percent what Medicare would pay. These excessive bills distort health care markets, create

¹ America's Health Insurance Plans (AHIP) is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

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tremendous financial hardship on families, and drive up premiums for everyone enrolled in commercial coverage.

For these reasons, AHIP supports House Bills 4459 and 4460. We appreciate you taking our views into consideration and look forward to working with you to advance common-sense solutions to this problem. Please do not hesitate to contact me at mhaffenbredl@ahip.org (202-413-9817) should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Mary Haffenbredl". The signature is written in a cursive, flowing style.

Mary Haffenbredl
Regional Director, State Affairs, AHIP