

July 21, 2020

The Honorable Richard Neal
Chairman, House Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Neal,

We write to urge you to address the ongoing injustice of surprise medical billing. Surprise bills – in which a patient receives charges for out-of-network services they couldn’t possibly have anticipated – cost Americans with employer-sponsored insurance \$40 billion annually.¹ About one in five emergency room visits, half of ground ambulance trips, and 70 percent of air transport trips have the potential to result in a surprise bill for patients, due to the high likelihood they will be out-of-network.²

These are emergency situations over which patients have no control. And yet physicians and insurers are using them to siphon billions of dollars away from patients, with the knowing consent of Congress. And the continued consolidation of both the hospital industry and physician groups will only drive those numbers higher, as out-of-network billing is more prevalent in areas where there is less competition in the health care sector.³

As House Ways and Means Chairman, you are optimally situated to end this plague on the American health care system. However, the proposals you have produced have been, to this point, wholly inadequate. For instance, a bill you released with Ranking Member Kevin Brady relied solely on arbitration to settle disputes between patients and physicians, even though such an approach, when tried in New York State, resulted in *higher* costs for patients.⁴ Instead, legislation must impose the more effective approach of mandating a payment standard tied to median in-network payment rates.

We realize there are special interests who benefit from the status quo, including private equity firms such as Blackstone and big insurance companies, which have collectively provided you with hundreds of thousands of dollars in campaign contributions during this election cycle alone.⁵

But it isn’t your duty to protect the bank accounts of PE profiteers. They have ample resources, as some of the wealthiest people in the world, to blanket Capitol Hill with money and lobbyists all on their own. You must stand up for the Americans who, even when they believe they have done everything right to navigate our labyrinthine health care system, still wind up facing bills for tens of thousands of dollars,

¹ Cooper, Zack, Hao Nguyen, Nathan Shekita, and Fiona Scott Morton, “Out-Of-Network Billing And Negotiated Payments For Hospital-Based Physicians,” Health Affairs, Dec. 16, 2019 <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2019.00507>

² Linke Young, Christen, Matthew Fiedler, Loren Adler, and Sabin Lee, “What is surprise billing?,” USC-Brookings Schaeffer Initiative for Health Policy, Aug. 1, 2019 <https://www.brookings.edu/blog/usc-brookings-schaeffer-on-health-policy/2019/08/01/what-is-surprise-billing/>

³ Cooper

⁴ Adler, Loren, “Experience with New York’s arbitration process for surprise out-of-network bills,” USC-Brookings Schaeffer Initiative for Health Policy, Oct. 24, 2019 <https://www.brookings.edu/blog/usc-brookings-schaeffer-on-health-policy/2019/10/24/experience-with-new-yorks-arbitration-process-for-surprise-out-of-network-bills/>

⁵ OpenSecrets.org, <https://www.opensecrets.org/members-of-congress/summary?cid=N00000153>

when 40 percent of Americans couldn't cover an unexpected \$400 expense without borrowing or selling something – and that was before the pandemic decimated the economy.⁶

Congress has already shown a willingness to ban surprise billing for coronavirus-related costs, as a provision to do so was in the HEROES Act, which you voted for. It is imperative that you extend that same commitment to all health care services, in order to bring more fairness and transparency to a system desperately lacking both.

Sincerely,

American Economic Liberties Project
Americans for Financial Reform
Center for Popular Democracy
Private Equity Stakeholder Project
Public Citizen
Revolving Door Project
Strong Economy for All

⁶ "Report on the Economic Well-Being of U.S. Households in 2018 - May 2019," Federal Reserve, May 2019
<https://www.federalreserve.gov/publications/2019-economic-well-being-of-us-households-in-2018-dealing-with-unexpected-expenses.htm>