

**Statement for the Record to the
House Committee on Education and Labor
Subcommittee on Health, Employment, Labor, and Pensions
Subcommittee Hearing
“Examining Surprise Billing: Protecting Patients from Financial Pain”
April 2, 2019**

On behalf of the AAFP, representing 131,400 family physicians and medical students, thank you for the opportunity to submit this statement for the record to the U.S. House Committee on Education and Labor concerning the hearing, *Examining Surprise Billing: Protecting Patients from Financial Pain*.

The AAFP appreciates the Committee's interest in protecting patients and their families from unanticipated medical bills. We share your concerns that such bills drive up patient out-of-pocket costs and threaten to damage the patient-physician relationship. As the nation's largest medical association of primary care physicians, we are committed to the strategic goal of ensuring health care coverage for all – a goal based on AAFP policy which recognizes that health is a basic human right for every person. The right to health includes universal access to timely, acceptable and affordable health care of appropriate quality. This goal requires health care system reforms that aim to serve all Americans, be foundational in primary care, and work to and reduce barriers such as price and accessibility that limit people from obtaining health care coverage.

Unfortunately, health insurance plans too often restrict patients' access to physicians by adopting narrow networks of contracted physicians, hospitals, pharmacies, and other providers. Even patients who strive to seek care from in-network physicians and hospitals can find themselves with unanticipated out-of-network bills from providers who are not in their insurance plan's network.

The AAFP joined more than 100 state and national medical organizations on a February 7 letter to House Ways and Means Committee Chairman Richard Neal (D-MA) and Ranking Member Kevin Brady (R-TX) urging them to protect Americans from unexpected medical costs. The letter is available at: <https://www.aafp.org/dam/AAFP/documents/advocacy/legal/administrative/LT-WaysMeans-SurpriseBilling-020719.pdf>

The AAFP and co-signatories urged consideration of several policies, including:

- **Insurer accountability:** Narrow networks contribute to surprise billing. Strong oversight and enforcement of network adequacy is needed from both federal and state governments.
- **Limits on patient responsibility:** Patients should only be responsible for in-network cost-sharing rates when experiencing unanticipated medical bills.
- **Transparency for scheduled health care:** When scheduling services for patients, providers should be transparent about their own anticipated charges, and insurers should be transparent about the amount of those charges they will cover.
- **Benchmark payments:** In general, caps on payment for physicians treating out-of-network patients should be avoided. If pursued, guidelines or limits on what out-of-network providers

are paid should reflect actual charge data for the same service in the same geographic area from a statistically significant and wholly independent database. These should not be based on increasingly inadequate Medicare rates or on in-network rates, which would hinder good-faith contract negotiation from insurers.

- Keeping patients from being middlemen: Payment rate negotiations should be between insurers and those who provide medical care. To ensure that patients aren't stuck doing that work, "physicians should be provided with direct payment/assignment of benefits from the insurer."

The AAFP appreciates the opportunity to share these comments and welcomes the opportunity to work with policy makers to achieve positive outcomes on these and other policies. For more information, please contact Teresa Baker, Senior Government Relations Representative, at 202-232-9033 or tbaker@aafp.org.

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