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Council opposes arbitration amendment to ‘surprise’ medical billing legislation

Amendment would lock in market distortions, higher health costs

WASHINGTON, DC – Ilyse Schuman, senior vice president, health policy, for the American Benefits Council, issued the following statement today urging the U.S. House of Representatives Energy and Commerce Committee to reject any amendment to [“surprise” medical billing legislation](#) that would institute mandatory arbitration as a means of resolving billing disputes.

“The effort to stop ‘surprise’ medical bills is all about increasing transparency and certainty concerning the delivery of health services. So **it makes no sense to create a mandatory arbitration process that will protect the opaqueness of billing practices and prolong uncertainty for providers and payers alike.** However, that is what will occur as a result of an amendment to be offered in the House of Representatives Energy and Committee when it considers H.R. 3630, the No Surprises Act.

“Members of the American Benefits Council – the nation’s major employers – are deeply concerned about the burden surprise medical bills place on working families. Our member companies seek to protect their employees from surprise bills by promoting provider networks that ensure access to high quality health providers that charge fair prices for their services.

“There is no need for a system that results in or encourages disputes over the fees charged for health services. Therefore, the Council supports a clear standard for payments and strongly opposes the use of ‘dispute resolution’ to pay out-of-network providers. The Senate Health Education Labor and Pensions (HELP) Committee got it right when it approved S.1895, the Lower Health Care Costs Act, on a wide bipartisan basis. That legislation would ensure that out-of-network health providers receive payment based on the median in-network rate charged

in the locality where the services were rendered. This provides certainty to health professionals and patients.

“The [Congressional Budget Office estimates](#) that the compromise, market-based benchmark approach included in the Senate bill would reduce commercial insurance premiums by 1% on average nationwide and decrease federal deficits by \$25 billion over ten years. By contrast, unfortunately, the House Energy and Commerce Committee is expected to approve the No Surprises Act with an amendment that enshrines an arbitration approach and the distorted market incentives that encourage certain providers to remain out-of-network and generate surprise bills.

“Arbitration will prolong uncertainty and inject complexity and greater costs for consumers in the form of higher premiums, and for employers who bear the largest portion of the overall cost of providing coverage to workers and families. As Congress strives to bring greater transparency to health care costs, arbitration is a step in the wrong direction. However artfully the legislation is crafted, arbitration brings unpredictability and potential individual bias of the arbitrator into the equation.

“We urge Congress to truly protect working families from surprise medical bills by advancing a fair, reasonable, local benchmark provision instead of the flawed arbitration proposal. We will continue to work closely with Congress to fix this legislation so that it, in turn, fixes the problem of surprise billing.”

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For more information on health policy, or to arrange an interview with Schuman, contact Jason Hammersla, Council vice president, communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

The Council is a public policy organization whose members include over 220 of the world's largest corporations, as ranked by Fortune and Forbes. Collectively, the Council's members either directly sponsor or administer health and retirement benefits for virtually all Americans covered by employer-sponsored plans.