

**EMPLOYER / PURCHASER ORGANIZATION RECOMMENDATIONS**  
**FOR COVID “PHASE 4” LEGISLATION**

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, DC 20510

July 21, 2020

Dear Speaker Pelosi, and Leaders McConnell, McCarthy, and Schumer:

In May, the nation’s leading employer and health care purchaser organizations sent a letter to Congressional leaders making recommendations for federal legislation to address the continuing COVID-19 pandemic. With daily infection rates reaching new highs and states beginning to return to lockdown, it is imperative that Congressional efforts to pass a comprehensive “Phase 4” bill to fight the pandemic and protect the economy include critical measures related to employee health coverage. To that end, the **31 undersigned organizations, representing many of the nation’s leading private and public sector employers, write to offer our specific recommendations for health coverage-related policies to be included in the forthcoming legislation.**

Our recommendations fall into four major priority areas:

- Provide Affordable Health Care Coverage in the Immediate Term
- Stop Price Gouging and Ensure Fair Prices for Coronavirus-Related Care
- Ensure Access to Primary Care
- Mitigate Risk in the Health Insurance Market

**Provide Affordable Health Care Coverage in the Immediate Term**

The pandemic has placed unprecedented strain on our country’s health care payment and delivery systems. As Congress and the Administration grapple with this rapidly evolving and highly destructive crisis, we urge policymakers to contemplate immediate health care coverage policies.

***Ensure sufficient COBRA subsidies to protect patients***

Any short-term solution to ensure access to affordable employer-sponsored coverage through COBRA must also include **federal subsidies covering at least 90 percent of the**

**cost** for those who have lost their jobs or have been furloughed. This subsidy should last through the duration of the crisis. Enabling people to maintain their current coverage is particularly beneficial for those in the middle of a course of treatment, people needing continued management of chronic conditions, pregnant women, and people who have been furloughed, but expect to return to work in the near future. This sensible policy also helps Americans who have already met their deductible in 2020 to avoid being forced to pick a new plan with a new deductible – an especially important policy consideration given the devastating economic impact of COVID-19. H.R. 6800, the *HEROES Act*, passed by the House of Representatives in May, provides 100 percent federal COBRA subsidies through January 2021. Any COBRA subsidy must be sufficient to prevent cost-increases in employer-sponsored plans due to adverse risk.

### *Increase telehealth coverage and care*

**Congress should also take immediate action to increase access to telehealth coverage and care for the duration of the crisis.** This should include increasing the ability for telehealth to be offered as a standalone benefit to workers not enrolled in the company’s full medical plan, eliminating state barriers to telehealth care (such as video-only rules, or requirements that the patient already have a relationship with the doctor), and allowing licensed providers to see patients via telehealth in other states without needing 50 different state licenses.

While employers very much support the use of telehealth as a way to expand access to care and reduce costs, we **strongly oppose efforts to mandate employer-sponsored plans pay for telehealth services at a rate equal to payment for in-person care.** Such a mandate harms employers’ ability to promote high value, clinically appropriate, telehealth at reasonable costs.

## Stop Price Gouging and Ensure Fair Prices for Coronavirus-Related Care

### *Policy Guardrails for a COVID-19 Coverage Mandate*

The *HEROES Act* requires all health insurance carriers to provide first-dollar coverage without cost sharing for all COVID-19 treatment. **Employers do not support this provision.** In addition to concerns that this requirement mandates inequitable coverage for our employees based solely upon a specific diagnosis, we believe this mandate could have significant adverse effects for all patients and consumers, including those not affected by COVID-19, in the form of significant cost increases if Congress fails to include appropriate safeguards. **We urge Congress not to include such a mandate in final legislation. At a minimum, such a mandate needs to be paired with policies to ensure purchasers are paying fair, non-inflated prices for out-of-network COVID care.**

### ***Blanket Ban on COVID-19 Price Gouging***

Sadly, our country has seen some bad actors taking advantage of the pandemic to engage in price gouging of certain goods and services. Even outside of a coverage mandate, Congress should enact **a strong, blanket ban on COVID-19 related price gouging**. The *HEROES Act* includes a strong provision that should be included in the final legislation. Specifically, the bill allows state attorneys general and the Federal Trade Commission to prosecute instances of price gouging related to COVID-19 supplies and services.

### ***Enact a market-based solution to surprise medical billing***

The COVID-19 pandemic has made the surprise billing problem even worse. With tens of thousands of people now seeking care for COVID-19, many are being forced to see out-of-network providers due to the overwhelmed health care system. It is more important than ever that Congress prioritize a **permanent ban on surprise billing for all patients**. This legislation should protect patients and hold down health care costs by **using a local, market-based payment rate for surprise medical bills**.

### **Ensure Access to Primary Care**

Across the country, primary care providers are reporting dire financial situations and the possibility of imminent closure due to the loss of patient revenue during the COVID-19 crisis. In addition to the funding for all providers in the CARES Act and follow-on legislation (a small portion of which is likely to make it to primary care providers), **Congress should provide immediate financial assistance** to ensure primary care practices can survive the sudden and significant loss of revenue and can continue to serve their patients. To that end, Congress should:

- Require HHS **Provider Relief Funds to be dedicated to primary care** clinicians/clinical practices that most need financial assistance
- Allow High Deductible Health Plans to **waive all or part of cost sharing for primary care visits** for the duration of the public health emergency
- Mandate health care provider organizations certify they **will not engage in mergers and acquisitions** of other provider organizations for 12 months as a condition of receiving CARES Act funding.

### **Mitigate Risk in the Health Insurance Market**

While health care utilization overall has dropped in the short-term, pent-up demand could substantially increase utilization once the pandemic has subsided. Given significant uncertainty on the impact of COVID-19 and deferred care on utilization and prices, health plans may have to significantly increase premiums to offset the risk of higher costs. Congress should enact policies that protect insurers and self-insured employers and mitigate chance of an uncertainty infused premium spike next year. The *HEROES Act* includes in effect a **one-sided risk corridor**, which would “kick in” only if costs exceed a certain threshold. Employers support inclusion of a robust risk mitigation mechanism for self-insured, employer-sponsored plans, in order to provide protection against the risk of significantly higher prices and demand, and reduce the chance of future premium spikes.

## **Conclusion**

Thank you for working to address the devastating health care and economic consequences of the COVID-19 pandemic. The employer community stands ready to work with Congress and the Administration to support workers and families with good policy that can make health insurance and care affordable and accessible. Please contact Shawn Gremminger at the Pacific Business Group on Health, to discuss further: [sgremminger@pbgh.org](mailto:sgremminger@pbgh.org).

Sincerely,

## **Coordinating Organizations**

American Benefits Council  
The ERISA Industry Committee  
National Alliance of Healthcare Purchaser Coalitions  
Pacific Business Group on Health

## **Signing Organizations**

Colorado Business Group on Health  
DFW Business Group on Health  
Economic Alliance for Michigan  
Employers Health Purchasing Corporation  
Employers' Advanced Cooperative on Healthcare  
Florida Alliance for Healthcare Value  
Greater Philadelphia Business Coalition on Health  
Health Care Purchaser Alliance of Maine  
HealthCare 21 Business Coalition  
Houston Business Group on Health  
Kansas Business Group on Health  
Kentuckiana Health Collaborative  
Lehigh Valley Business Coalition on Healthcare (LVBCH)  
Louisiana Business Group on Health  
Memphis Business Group on Health  
MidAtlantic Business Group on Health  
Midwest Business Group on Health  
Nevada Business Group on Health  
North Carolina Business Group on Health  
Pittsburgh Business Group on Health  
Rhode Island Business Group on Health  
Silicon Valley Employers Forum  
St. Louis Area Business Health Coalition  
Texas Business Group on Health  
The Alliance  
WellOK, The Northeastern Oklahoma Business Coalition on Health  
Wyoming Business Coalition on Health