



COMMITTEE ON
EDUCATION & LABOR
REPUBLICANS

COMMITTEE
STATEMENT

Rep. Tim Walberg (R-MI)
Republican Leader, Subcommittee on Health, Employment, Labor,
and Pensions
Hearing on “Examining Surprise Billing: Protecting Patients from
Financial Pain”
April 2, 2019

Thank you for yielding.

The high and rising cost of health care is a significant worry for families, workers, and employers across the country. Concerns about high premiums, high deductibles, and drug prices are known and well-documented, but the issue of surprise billing has rapidly risen to the forefront of peoples’ worries when it comes to health care.

Surprise billing, sometimes called balance billing, happens when a patient visits an out-of-network care facility, or even when they are at an in-network facility but are seen by a doctor who is not in their network. The story of surprise billing may go something like this: A worker who’s having trouble breathing visits an emergency room at a hospital in his health insurance network. While there, he receives an X-ray of his chest and is seen by a doctor who prescribes medicine to ease the strain on his lungs. Following the visit, he gets a bill – a high bill – for the trip to the emergency room. Even though the hospital was technically in-network, the doctor who saw him was not, leaving him to pay for the cost of the treatment.

This understandably causes frustration for individuals who thought they did everything correct. It can also cause a high degree of uncertainty and stress for workers and families as they try to find the money to pay for the health care service they believed would be handled by their insurance.

According to a 2018 poll from the Kaiser Family Foundation, surprise medical bills are the leading health care concern for Americans, surpassing concerns about high premiums, high deductibles, and rising drug costs. Thirty-nine percent of insured working-age adults reported they had received a surprise medical bill in the past year from a doctor, hospital, or lab that they thought

was covered by their insurance. Of the 39 percent of individuals who received surprise medical bills, 50 percent owed more than \$500. The fear of an unexpected medical bill can be paralyzing, and we don't want Americans forgoing care they need for fear that they'll end up responsible for a medical expense they can't afford. We need solutions that equip patients with the information they need to confidently seek treatment without the worry they'll face a huge surprise bill.

About 60 percent of workers, or 110 million individuals, are insured through employer-sponsored health care plans under the Employee Retirement Income Security Act (ERISA). Employer-provided coverage is important to workers around the country. Employers can custom design a health care plan best-suited to their workers' needs, which helps them retain their workforce and is also an important recruiting tool. A 2018 study from AHIP found that over 70 percent of workers are satisfied with their employer-sponsored coverage.

Twenty-two states have laws addressing surprise billing; however, under ERISA, self-insured employer-sponsored plans are only subject to federal rules and protections, and state rules and regulations on health insurance do not apply.

Promoting public policy solutions that allow employers to continue offering high-quality health coverage is good for employers and employees alike. That's why we're here today to listen and learn from a variety of stakeholders about different proposals to address this serious issue. With this in mind, we recognize that any potential federal policy solutions to end the practice of surprise billing must preserve important ERISA protections and ensure that self-insured plans remain subject to federal law alone.

Committee Republicans are committed to pursuing policies that lower costs, expand choice, and end surprise billing for insured individuals. Workers and families deserve certainty about their health care coverage, and I look forward to discussing how we can provide a better way forward for the American people.

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