

September 2, 2020

The Honorable Lana Theis
Chair, Insurance and Banking Committee
Michigan State Senate
100 S. Capitol Avenue
Lansing, MI 48933

Dear Chair Theis,

On behalf of The ERISA Industry Committee (ERIC), thank you for accepting comments from interested stakeholders as the Committee considers the surprise billing legislative package, which includes House Bills 4459, 4460, 4990, and 4991. ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. We speak in one voice for our member companies on their benefit and compensation interests, including many with employees and retirees in Michigan.

As plan sponsors, our member companies strive to provide the best health benefits possible to their employees, retirees, and families at an affordable cost. At ERIC, we seek to enhance our members' ability to provide high-quality, affordable health care, and our member companies are absolutely committed to ending the surprise medical billing crisis. We support market-based, fair regulations to curb unexpected bills, and prevent patients' health insurance premiums from inflating due to unscrupulous billing practices, particularly by investor-owned physician staffing firms.

ERIC supports the legislative package, especially House Bill 4459, as it would protect many patients in the state from surprise medical bills. The language of this legislation is written in a manner that ensures fair payment for providers, eliminates the threat of surprise bills for patients on fully-insured plans when they visit in-network facilities, and does so without increasing health care costs. As such, ERIC and our large employer member companies support the passage of this legislation.

ERIC strongly supports legislative solutions to end surprise billing, protecting patients from balance bills generated by out-of-network providers at in-network facilities, in emergency situations, and in cases of referrals and handoffs during which the patient is not given a meaningful choice. **This legislation bans balance billing for out-of-network services that are delivered at in-network and out-of-network facilities, and specifies that providers be reimbursed at the greater of the average negotiated in-network rate in that region, or 150 percent of Medicare rates.** This is truly a victory for patients, who will be saved both from unfair balance bills, and from higher health insurance costs. House Bill 4459 will ban surprise bills from out-of-network providers who are treating emergency patients at participating or non-participating health facilities, as well as out-of-network providers at an in-network facility, where the patient did not have the ability to choose an in-network provider. The legislation will ultimately bar out-of-network providers at in-network facilities from attempting to balance bill patients, which is especially important in emergency care, as America's emergency rooms have become deeply intertwined with for-profit investor-owned physician staffing firms. House Bill 4459 stands up for the vulnerable patients against these interests.

We believe that Michigan can get surprise billing legislation done right – just as other states have – and we support the bill’s passage. Thank you for accepting our input on House Bill 4459. ERIC looks forward to working with you, and with key stakeholders, to end the surprise medical billing crisis for millions of workers, retirees, and their families. If you have any questions concerning our written testimony, or if we can be of further assistance, please contact me at jgelfand@ERIC.org or 202-789-1400.

A handwritten signature in blue ink that reads "James P. Gelfand". The signature is written in a cursive style with a large initial 'J' and 'G'.