



**Testimony of  
Physicians for Fair Coverage  
Before the  
Ohio Senate Insurance & Financial Institutions Committee**

**November 6, 2019**

Chairman Hackett, Vice Chairman Hottinger, Ranking Member Craig, and distinguished Members of the Senate Insurance & Financial Institutions Committee, thank you for the opportunity to testify in support of Senate Bill 198 on behalf of Physicians for Fair Coverage (PFC).

PFC is a non-profit, non-partisan, multi-specialty association of tens of thousands of physicians nationwide partnered with patients and other providers to end surprise billing. In Ohio, PFC members care for hundreds of thousands of patients each year in more than 30 facilities statewide.

PFC-affiliated physicians are collectively in-network with more than 95% of the patients they see and support a ban on balance billing for unexpected out-of-network care. They are committed to protecting their patients and advocating with them and on their behalf.

Members of the Committee, I would like to commend you in addition to Senators Huffman, Antonio, and the bi-partisan co-sponsors of Senate Bill 198, for working to address out-of-network surprise billing for our patients. As a physician, I live and work by the creed “do no harm” and believe that any solution to surprise billing should meet this test as well.

To this end, the correct framework to accomplish this goal is one that:

1. **protects patients** by banning balance billing for unexpected out-of-network care and ensures any out-of-pocket expenditures are limited to in-network cost-sharing requirements and deductibles;
2. **ensures access** to care by allowing for fair reimbursement and setting a reasonable process for solving disputes between the physician and the health plan, completely taking the patient out of the middle; and
3. **provides greater transparency** with consistent and accurate information on pricing and each health plan’s most current network of physicians and other providers.

Senate Bill 198 provides this critical framework and accomplishes the goal to effectively end surprise billing in the best interests of patients and the physicians who care for them.

Of note, in addition to strong patient protections, PFC is pleased to see Senate Bill 198 includes a baseball-style Independent Dispute Resolution or IDR process for recourse if either the physician or the health plan believes a claim is not reasonable and an agreement on the appropriate reimbursement cannot be reached. Senate Bill 198 provides the opportunity for either party to request binding arbitration.

This process will be implemented by the Superintendent of Insurance and provides the opportunity to appeal the payment in a fair way. Both parties have recourse through a neutral third-party in the out-of-network payment dispute if they believe the other party is unreasonable; each party is incentivized to provide their most reasonable offer; and the parties are incentivized to remain or go in-network and avoid the dispute resolution process. The IDR process included in Senate Bill 198 outlines several guardrails around the resolution process that would ensure the arbiter has a clear picture of the factors involved in determining a fair and appropriate payment.

PFC has been very involved in arbitration debates in several states, and we note that solutions incorporating IDR have proven successful. Twelve states have now adopted a solution incorporating baseball-style IDR including Washington state, Nevada, and Colorado this year and most recently the state of Texas.<sup>1</sup>

These laws were based on the successful solution implemented in New York State in 2015. A recent report<sup>2</sup> released in September by the state's Department of Financial Services found:

- Consumers **saved over \$400 million**;
- In-network emergency physician payments were **lower by 9%**; and
- Out-of-network billing was **reduced by 34%**

This suggests that health plans and providers in that state found it more beneficial to negotiate a fair in-network contract than to fight out-of-network reimbursement through arbitration. This model is both effective and has the support of all stakeholders, including consumer and patient groups.

Independently supporting this, another recent case study by researchers at the Georgetown University Center on Health Insurance Reforms<sup>3</sup> found that **the independent dispute resolution process has resulted in a decrease in out-of-network claims, a “dramatic” decline in consumer complaints about surprise bills, and no “indication of an inflationary effect in insurers’ annual premium rate filings.”** The law has also led to stronger protections for patients and more patient-centric health plans; enhanced transparency from health insurers; and increased network participation.

Finally, in addition to rising out-of-pocket costs, patients often face frustration with a lack of transparency in the health care system, especially when it comes to understanding which physicians are currently in the network of their health insurance plan. Unfortunately, the accuracy of such information is highly inconsistent among insurers and even within the various plans of the same insurer. Senate Bill 198 seeks to address this by requiring health plans provide a directory of physicians and other providers for each of its plans on its website and in print format.

In conclusion, Senate Bill 198 achieves all of the critical elements to successfully end surprise billing for unexpected out-of-network care for the consumers of Ohio. Physicians for Fair Coverage strongly supports this legislation and urges its’ passage to provide strong patient protections, fair reimbursement backed by an Independent Dispute Resolution process to ensure access to care, and improved transparency for all patients.

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<sup>1</sup> Reflects data reported by the Commonwealth Fund and recently enacted bills in Colorado, Nevada, and Washington.

<https://www.commonwealthfund.org/blog/2019/state-efforts-protect-consumers-balance-billing>.

<sup>2</sup> [https://www.dfs.ny.gov/system/files/documents/2019/09/dfs\\_oon\\_idr.pdf](https://www.dfs.ny.gov/system/files/documents/2019/09/dfs_oon_idr.pdf)

<sup>3</sup> Georgetown University Health Policy Institute Centers on Health Insurance Reforms, New York’s 2014 Law to Protect Consumers from Surprise Out-of-Network Bills Mostly Working as Intended: Results of a Case Study, May 2019; <https://georgetown.app.box.com/s/6onkj1jaiy3f1618iy7j0gpzdoew2zu9>.

We appreciate your leadership on this important issue and thank you for the opportunity to testify today. PFC stands ready to work with you and all stakeholders on this important matter in the best interest of our patients and the physicians who care for them.