



Chairman Hackett, Vice Chairman Hottinger, Ranking Member Craig and members of the Senate Insurance and Financial Institutions Committee, thank you for the opportunity to express support for Senate Bill 198.

My name is Dr. Brad Borden and I am Associate Chief of Staff and Chairman of the Emergency Services Institute at Cleveland Clinic. On behalf of the patients we serve, I am here to discuss the importance of SB 198.

Founded in 1921, Cleveland Clinic is a not-for-profit, integrated healthcare system dedicated to patient-centered care, teaching and research. Our health system is comprised of a main campus, 13 community hospitals and over 150 outpatient locations in Northern Ohio. Last year, our system had over 7.6 million patient visits and more than 229,000 hospital admissions. We are proud to be ranked as the No. 4 health system in the country by *US News and World Report*, and we are proud to be the No. 1 private employer in Ohio, with more than 60,000 employees.

At Cleveland Clinic we believe patients need to be kept out of the middle of disputes between physicians and insurers. In accordance with federal law, hospital emergency departments cannot turn away any patient who walks through our door, or discuss potential costs of insurance details until patients are screened and stabilized. The care of our patients is our primary concern, and patients should not have to second guess needed care for fear of a surprise bill. Nor can we expect patients having a medical emergency to research their insurance network in detail before going to the closest ED. Access to care is critical in patient outcomes and reducing barriers to appropriate and timely care is a priority of our health system.

SB 198 proposes a proven model for handling surprise bills. The bill sets forth a “baseball style arbitration model,” used in other states. For out of network bills over \$700, an insurer or a physician can take a claim to arbitration. The arbitrator must either choose the physician’s best offer or the health plan’s best offer. This incentivizes both parties to come to the table with a reasonable reimbursement amount. If either party presents an outlier amount, the arbitrator is not likely to choose that amount. For bills under \$700 the bill proposes an amount based on an independent third party data base, selected by the Ohio Department of Insurance. This arbitration model as implemented in other states has also been shown to be cost effective as the losing party pays the cost of arbitration, limiting the cost to the taxpayer. This is another incentive that has dictated this model’s success in other states.

This language in SB 198, developed by key stakeholders in the state, is based off the New York arbitration model which resulted in more in-network contracts and led to stable rates with decreased overall health care costs. We believe this language is a proven model that will help protect patients while also keeping costs down.

Thank you again for the opportunity to testify as a proponent to SB 198.