

THE OHIO COUNCIL OF

Retail Merchants
The voice of retail since 1922

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November 11, 2019

The Honorable Bob Hackett, Chairman
Ohio Senate Insurance & Financial Institutions Committee
Statehouse
Columbus, OH 43215

Dear Chairman Hackett and Members of the Committee,

On behalf of the over 7,000 members of the Ohio Council of Retail Merchants, I write to express our concerns with Senate Bill 198 and suggest changes that in our opinion would greatly improve upon the proposal.

Employers are deeply concerned about the burden that unexpected medical bills from out-of-network providers place on employees and their families. We share the goal of many organizations to protect patients from surprise medical bills without undermining network participation or increasing health care costs for all consumers.

We recognize and underscore that not all providers are contributing to the problem of surprise medical billing. Most doctors work hand-in-hand with hospitals and insurance providers to ensure that American families receive quality, affordable care. Yet there is a small but increasing number of out-of-network specialty providers charging exorbitant rates for medical services. A lack of meaningful patient choice in selecting these specialized providers allows the providers to charge excessive rates by staying out-of-network, generating surprise bills. This constitutes a market failure that limits the benefit of networks in controlling costs for patients and employers.

Our main concern with Senate Bill 198 is the proposed binding arbitration between health plans and out-of-network providers where each side submits a final proposal and the arbitrator must choose one or the other side with no flexibility to reach a compromise in the middle. Arbitration would not only introduce new bureaucracy into the health care system, it would add millions of dollars in administrative fees and raise costs to all health care consumers—the opposite of what patients are seeking.

In addition, experience from other states that have enacted mandatory binding arbitration statutes has shown that it is not effective in protecting patients from surprise medical bills. Two years ago, New York passed a bill with mandatory binding arbitration provisions similar to Senate Bill 198. To date, New York still leads the nation in surprise medical bills for planned services at in-network facilities for patients enrolled in large group health plans.

Council Affiliates

 Ohio Association of Wholesaler-Distributors

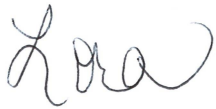


Focus
on Ohio's Future

We strongly encourage you to amend Senate Bill 198 to replace mandatory binding arbitration with fair and reasonable payment standards determined by local, market-based benchmark provisions or, to avoid market distortions, use a Medicare-based benchmark. In regard to the latter, a Medicare Payment Advisory Committee (MedPAC) analysis of commercial claims data showed that contracted payment rates for all physicians averaged 128% of Medicare payment rates. Establishing a similar benchmark would ensure equitable payment for the services provided without discouraging network participation or resulting in higher costs for all consumers.

Thank you for your efforts to resolve the problem of surprise bills for the employees of our member companies and their families and thank you for your thoughtful consideration of our concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lora", written in black ink.

Lora L. Miller
Director of Governmental Affairs & Public Relations