



December 9, 2019

Chairman Hackett
Senate Insurance and Financial Institutions Committee
Ohio Senate
1 Capital Square
Columbus, Ohio 43215

Dear Chairman Hackett,

Chairman Hackett, Vice Chair Hottinger, Ranking member Craig and members of the Senate Insurance and Financial Institutions Committee, my name is Victoria McCoy and I am the CEO of Associated Employee Benefits, LLC. We are an employee benefit consulting firm working with small to midsize employees and are based in Westerville, Ohio. I am also a Registered Health Underwriter (RHU) and Chartered Healthcare Consultant (ChHC).

I oppose SB 198, legislation that would result in higher healthcare costs for employers, individuals, and ultimate purchasers of healthcare. SB 198 does not eliminate surprise bills; it simply shifts the surprise bill to the premium. As a business owner that is making health insurance coverage decisions for my employees, as well as advising small businesses on the best health care coverage to fit their needs, I am uniquely positioned to comment on SB 198.

Surprise bills are a large problem and the problem is only growing. When I hear that a client had an employee that received a surprise bill it's a horrible situation. It's financially devastating for the individual that receives the surprise bill and makes the employer question why their employee received the surprise bill in the first place.

I believe everyone can agree that a consumer that has done their homework and specifically chosen to go to an in-network facility to see an in-network provider, as well as an individual receiving emergency care should never receive a surprise bill. However, the approach matters. It is imperative that a legislative solution protect both the consumer from ever receiving a surprise bill, but also not increase health care costs and therefore premiums.

Unfortunately, SB 198 does not take this approach. While it does not allow a consumer to receive a front-end surprise bill, SB 198 uses billed charges or a percentage of billed charges, a payment benchmark that is not based on current market prices. As a result, provider reimbursements will be above the market rate, meaning premiums will increase.

Further, SB 198 contains an extensive arbitration process. The arbitration process can be a long costly one, meaning healthcare dollars will be used for administrative costs rather than healthcare costs.



SB 198's payment benchmark and arbitration process will result in increased premiums. When premiums increase, I hear from my small business clients. They want to know why premiums have increased and many times I have to point legislation. Unfortunately, if SB 198 becomes law I will have to point to it when I get asked these hard questions.

While I am encouraged to see that the Senate is taking on such an important and impactful issue, the approach matters, and this approach doesn't fully protect Ohioans.

For these reasons I oppose SB 198 and encourage the committee to vote against it.

Sincerely,

Victoria McCoy, RHU, ChHC
President