Children’s Hospital Association Statement for the Record
Senate Committee on Health, Education, Labor and Pensions
“Lower Health Care Costs Act”
June 18, 2019 — 9:30 a.m.

The Children’s Hospital Association (CHA) thanks the Senate Committee on Health, Education, Labor and Pensions for holding this hearing on the Lower Health Care Costs Act. CHA represents more than 220 children’s hospitals nationwide, dedicated to the health and well-being of our nation’s children. Children’s hospitals advance child health through innovations in the quality, cost and delivery of care—regardless of payer—and serve as a vital safety net for uninsured, underinsured and publicly insured children. The Lower Health Care Costs Act addresses several policy areas that would have a significant impact on children’s hospitals and the children and families we serve, including surprise billing, health care transparency initiatives, drug development, and public health efforts.

Children’s hospitals agree with the Committee that patients should be protected from surprise medical bills and that they should not be balance billed for out-of-network care during an emergency or when the patient receives out-of-network care from a provider at an in-network facility. We previously joined with other leading hospital organizations to outline principles we believe should guide any reform on this issue—including the need to protect patients, preserve the role of private negotiation, ensure patient access to care and comprehensive provider networks, and increase patient and family health care literacy. It is imperative that health plans be required to have networks that allow unencumbered access to trained providers for all covered services. However, in the unfortunate event of out-of-network care in the situations outlined above, we strongly believe that any solution should focus on preserving the role of private negotiation between provider and insurers to avoid incentivizing the creation of narrow networks. Therefore, we oppose setting a default rate for surprise billing situations in statute—we believe that surprise billing disputes can be effectively resolved by negotiation between the provider and the insurer and that statutory rate setting could have unintended consequences, especially as it relates to ensuring access to comprehensive pediatric services.

Children’s hospitals also appreciate the Committee’s interest in promoting transparency in health care. We agree that consumers should have access to accurate information regarding their coverage, quality of care, and cost of care. However, we believe that the focus of these efforts should be on providing patients and their caregivers with meaningful information—particularly with respect to out-of-pocket cost information that can help guide care decisions. Given the complexity involved in providing meaningful cost information to families/guardians, we recommend the Committee establish a work group with all relevant stakeholders to develop best practices for disclosure rather than imposing new requirements that do not provide meaningful information.

We are also concerned that some of the proposals included in the Lower Health Care Costs Act would place the burden to process bills in a timely manner, maintain provider directories, and provide consumers with cost-sharing information specific to their plans on providers. Insurers are in a better position to resolve these issues.
Children’s hospitals applaud the Committee’s focus on drug development. Children’s hospitals and the unique patients we serve rely on lifesaving pharmaceuticals for crucial treatments. Increased competition and the adoption of biosimilars play an important role in expanding access to these often lifesaving medicines. Clearing a pathway for additional players within the insulin market and preventing anti-competitive tactics used by some manufacturers is a great first step toward improving patient access to medications.

Children’s hospitals commend the Committee’s desire to introduce measures that focus on vaccination education, obesity resources, technology-enabled collaborative learning and maternal health. Children’s hospitals are constantly promoting public health initiatives and working with their communities to improve health outcomes outside the walls of the traditional hospital. Public health initiatives included in this draft will help hospitals continue this work and improve the health of future generations.

We appreciate the opportunity to submit a statement for the record for the Committee’s consideration. More detailed feedback from children’s hospitals on the Lower Health Care Costs Act can be found in our letter to the Committee, sent on June 5, 2019. We look forward to working with the Committee as it advances work on these critical issues and thank you for the opportunity to provide input.