

IAA Legislative Ledger



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Lower Cost Of Healthcare Is Possible!

Hospital and Provider Pricing Transparency Must Be Implemented!

I'm sure you have seen my past communications regarding the egregious charges from hospitals and surgical centers throughout the United States. Our mission continues and we ask each of our clients and members to participate in this cause that is bankrupting thousands of American Families.

IAA and our industry have urged honest transparency of medical costs, especially hospital costs, for decades. A few years ago, IAA examined examples of shocking hospital cost experiences as we studied this issue. I personally shared my concern with our Washington Representatives who I know have your families' best interest at heart, but have very difficult political hurdles to overcome.

When ACA was passed, we and others urged Health and Human Services (HHS) to implement section 2718e of the ACA law which mandates hospital price transparency, and we had constructive brainstorming with the top HHS staff who would be implementing 2718e. Our Industry also coordinated with a major business/employer association and organized labor. A truly bi-partisan supported mission.

As it turns out, hospital transparency was one of the many parts of ACA that HHS said it simply would not have time to implement. In the meantime, both HHS and we realized that the

wording in 2718e has some weaknesses that would hinder its effectiveness, so even when HHS gets around to it, improvements would be needed.

Rep. Mike Burgess, a doctor, saw the problem and has introduced HR 1326, the Health Care Transparency Promotion Act. HR1326 fixes the problems in 2718e while matching the good intention. I like the fact that Rep. Burgess is a doctor, as this fact adds certain credibility to his bill (He has seen firsthand, the zany "Charge Master" system at many provider and hospital offices).

Did you ever buy anything without seeing a price tag?

This is a common sense issue. Restaurants are required to post their menu prices visible before you walk in (and many restaurants now eagerly post their prices on-line to lure new customers). Your new car requires a detailed price sheet on the window to be seen before signing any deal. Examples go on and on. Only hospitals, whose unexpected prices routinely bankrupt thousands of Americans each year, are cloaked in mystery. The law and our intent are not to trap hospitals into some pre-promised final bill. We all recognize that complications can occur. It is just to answer a question raised by a recent Washington Post/Bloomberg investigative article that found that hospitals could not answer whether and why the bills for identical routine ER visits ranged from \$4 to \$24,000. In recent

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weeks I have provided links to several major-media stories, such as a Time magazine special report, Washington Post/Bloomberg, and USA Today about shocking mysterious hospital charges. Please tell your Congressmen that this is a big issue and the major media and voters are watching. Copy the link below to your web browser for remarks of Richard Stengel, Managing Editor of Time Magazine.

<http://www.time.com/time/magazine/article/0,9171,2136867,00.html>

Some state legislatures are also taking note of the transparency problem and considering laws. It would presumably be a business requirement like the restaurant menus at the front door. So, please check in your state(s) and be supportive. Good state laws would be a strong precedent for federal law. Take advantage of this opportunity to inform and activate all of the Congressional offices. This can be the biggest and most-needed “health reform” in decades, and it is bi-partisan and serves both liberal & conservative concerns for patients. It is a multi-win and can be a big win for the Congressmen.

Most importantly, we believe this one change to transparency in pricing will stop the uncontrolled increases in employee benefit cost.

Small Business (SHOP) Exchange Delayed

The mainstream media has issued reports of a delay in an “exchange”. They are correct that the SHOP exchange is delayed, but it does not mean that the state-based exchanges are delayed.

The Affordable Care Act designed a small business exchange option for employers of 25 or fewer employees. The Small Business Health Options

Program (SHOP) was supposed to be available for enrollment to small employers beginning January 2014. It has been delayed one year, to 2015 in the 33 states, including Texas, where the federal government will be running the insurance exchange.

Please do not confuse the SHOP exchange, for small employers of 25 or fewer employees earning \$50,000 or less, with the ACA State-based exchange. The one-year delay applies to SHOP exchanges only, and does not apply to the state-based exchange or the federally-facilitated exchange that will be run by the federal government.

Enjoy the rest of your day and stay healthy!

*Thank you,
Paul Kelly, President*

Insurance Administrator of America, Inc.