

The Commonwealth of Massachusetts
MASSACHUSETTS SENATE

SENATOR EDWARD J. KENNEDY
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May 7, 2019

The Honorable James T. Welch, Senate Chair
The Honorable James M. Murphy, House Chair
The Joint Committee on Financial Services
Massachusetts State House
Boston, MA 02133

Dear Chairman Welch and Chairman Murphy,

I appreciate the Joint Committee on Financial Services considering **Senate Bill 607, *An Act reducing the financial burden of surprise medical bills for patients***. I write to encourage the Committee to support the favorable passage of this legislation.

As the number of thoughtful proposals on this matter before this committee reflects, the issue of patients receiving unexpected bills from providers that are not in their insurance network has become pervasive within our health care landscape. This problem, known as surprise billing, or balance billing, occurs with particular frequency among patients receiving emergency care. According to one recent report, more than one in five instances of inpatient care originating in emergency departments results in a patient receiving a surprise bill.

Surprise bills often occurs as the result of non-emergency care as well, and can even impact patients dutifully attempting to remain in-network. Extensive reporting has found that patients seeking medical treatment at in-network hospitals often receive care from specific providers within the hospital that are out-of-network, generally without sufficient warning, and are ultimately saddled with overwhelming charges as a result. Because providers tend to inflate bills for out-of-network service, the average total cost of these surprise bills is \$900, with some surprise bills costing patients as much as \$19,000, charges stand to be financially devastating to Massachusetts families.

S.607 proposes several critical measures aimed at ensuring that Massachusetts consumers are not saddled with the financial burden that surprise billing has been known to impose. In both of the scenarios where surprise billing is common—emergency care and out-of-network care at an in-network facility—this bill sets 100 percent of the Medicare reimbursement rate as the default price for out-of-network care. Additionally, this bill guarantees that patients will not be required to pay an amount for

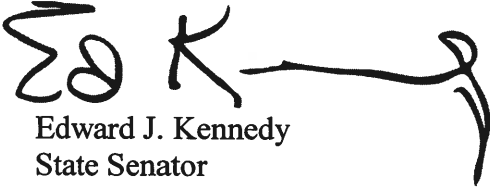
care that exceeds what they would ordinarily pay to an in-network provider, and would prevent out-of-network providers from attempting to collect payments beyond any applicable co-payment, coinsurance, or deductible.

S.607 also requires providers to perform an eligibility check to determine whether they are in a patient's network prior to providing services, and requires that providers fully disclose costs that patients will be accountable for and that they receive written consent for such charges. This measure will increase transparency in the billing process and extend a vital consumer protection in a manner that is amenable to both patients and providers.

The striking prevalence of surprise billing has attracted the attention of state agencies, the legislature and the local media in recent years. There is broad consensus around the fact that patients should not be on the hook for out-of-network expenses incurred through no fault of their own, left to either spend untold hours negotiating with their insurers, or come up with thousands of dollars at an already vulnerable moment of their lives. S.607 would ban this troubling practice and provide meaningful protection to consumers across the Commonwealth.

For the reasons mention, I respectfully request a favorable recommendation from the Committee. I appreciate your time and consideration of this matter. If you have any questions or concerns, please do not hesitate to contact my office at (617) 722-1630.

Sincerely,

A handwritten signature in black ink, appearing to read 'E J Kennedy', with a long horizontal flourish extending to the right.

Edward J. Kennedy
State Senator
First Middlesex District