



AMERICAN OSTEOPATHIC ASSOCIATION

TREATING OUR FAMILY AND YOURS



February 24, 2017

The Honorable Timm Ormsby
Chairman
Washington State House Appropriations Committee
315 John L. O'Brien Building
PO Box 40600
Olympia, Washington 98504

Dear Chairman Ormsby:

The American Osteopathic Association (AOA) and the Washington Osteopathic Medical Association (WOMA) are writing regarding HB 2114. This bill enacts the Balance Billing Protection Act. While we appreciate the bill's goals of protecting patients from unexpected medical bills, we are concerned that some aspects of the bill may lead to diminished access to quality, timely health care for patients.

The AOA represents nearly 130,000 osteopathic physicians (DOs) and osteopathic medical students, promotes public health, encourages scientific research, serves as the primary certifying body for DOs and is the accrediting agency for osteopathic medical schools. More information on DOs/osteopathic medicine can be found at www.osteopathic.org. WOMA is a professional medical organization that represents nearly 1,500 osteopathic physicians in Washington.

This bill prohibits balance billing for:

- Emergency health care services rendered by an out-of-network provider; and
- Unforeseen nonemergency services rendered by an out-of-network provider at an in-network facility.

The AOA and WOMA appreciate the bill's requirement that insurers cover the services necessary to screen and stabilize a covered person in an emergency, regardless of whether the provider or facility is in- or out-of-network with regards to the patient's health care plan. We also support the requirement that carriers make information regarding their provider networks available for each of their insurance plans, and provide an out-of-network benefits notice to enrollees when they are scheduled for nonemergency out-of-network services.

We are concerned, however, with:

- Requiring physicians to notify patients as to whether the physician is in- or out-of-network with regards to the patient's particular insurance plan. A physician is not a party to the patient-carrier insurance contract, and may be removed from a plan through no action of his/her own; therefore, it should be the responsibility of the insurer to notify an enrollee of this information.
- Balance billing restrictions that limit physicians' ability to receive appropriate payment for services delivered to patients, and could lead to decreased access to care.
- Placing the burden on out-of-network physicians to request an explanation of benefits from the patient's health carrier, and prohibiting the physician from requesting or accepting payment from the patient for any amounts in excess of the applicable in-network cost-sharing amounts.
- Establishment of a binding arbitration process, which may force physicians to accept payment at in-network provider rates and incentivizes carriers not to contract with providers.
- Using fees paid by the carrier to other out-of-network providers for similar services as a benchmark, when those rates were never agreed to by the out-of-network provider involved in arbitration.

We believe that:

- It is the health carrier's responsibility to provide accurate information regarding its plans to ensure that beneficiaries have access to physicians and care they need without disruption or delays.
- The inability of providers to establish or agree to contracted rates for services and receive payment in those amounts places an undue burden on physicians providing care to patients in need.
- Out-of-network providers should be paid the "usual and customary rate" for similar services in the same geographic area.
- Out-of-network providers should be allowed to submit a request for payment to a patient, along with the Payment Responsibility Notice below (in the same or substantially similar language), and accept payment if the patient elects to pay the balance:

"The service[s] outlined below was [were] performed by a facility-based provider who is out-of-network with your health care plan. At this time, you are responsible for paying your applicable cost-sharing obligation – copayment, coinsurance or deductible amount – just as you would be if the provider is within your plan's network. With regard to the remaining balance of this out-of-network bill, you have three choices: 1) you may choose to pay the balance of the bill; OR 2) you may send the bill to your health care plan for processing pursuant to the health carrier's out-of-network facility-based provider remittances process or the provider mediation process required by Section 6. C. OR 3) you may rely on other rights and remedies that may be available in your state."

The AOA and WOMA appreciate your efforts to protect access to necessary and timely health services for Washington patients and thank you for your consideration of our concerns regarding HB 2114. Should you need any additional information, please feel free to contact Nick Schilligo, MS, Associate Vice President, State Government Affairs at nschilligo@osteopathic.org or (800) 621-1773, ext. 8185.

The Honorable Timm Ormsby

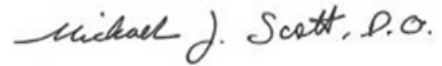
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Sincerely,



Boyd R. Buser, DO
President, AOA



Michael J. Scott III, DO
President, WOMA

CC: Mark A. Baker, DO, AOA President-elect
William J. Burke, DO, Chair, AOA Department of Governmental Affairs
Richard Thacker, DO, Chair, AOA Bureau of State Government Affairs
Adrienne White-Faines, MPA, AOA Chief Executive Officer
Laura Wooster, MPH, Senior Vice President, AOA Public Policy
Nicholas Schilligo, MS, Associate Vice President, AOA State Government Affairs
Kathleen Itter, Executive Director, WOMA