



*A Passionate Voice for Compassionate Care*

July 16, 2019

The Honorable Frank Pallone, Jr.  
Chairman  
Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Greg Walden  
Ranking Member  
Committee on Energy and Commerce  
2322 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Pallone and Ranking Member Walden:

On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of more than 2,200 Catholic health care systems, hospitals, long-term care facilities, sponsors, and related organizations, I am writing to you about the Amendment in the Nature of a Substitute (AINS) to H.R. 2328 the *Reauthorizing and Extending America's Community Health (REACH) Act*. While we support many of the Public Health, Medicare and Medicaid provisions in the revised language, we remain concerned about the addition of H.R. 3630 the *No Surprises Act*.

CHA and our members strongly support protecting patients from surprise bills. Patients should not be subjected to financial consequences when they have unexpected and unavoidable encounters with out-of-network health care facilities and providers, and they should be removed from any subsequent payment negotiations between facilities, providers and insurers. However, we have significant concerns with how H.R. 3630 would resolve those payment issues.

Further, we strongly oppose the establishment of a statutory payment rate. *The No Surprises Act* would require facilities and providers to accept an insurer-based benchmark payment based on median contracted rates for out-of-network emergency and post stabilization care, and for care provided by out-of-network ancillary providers at in-network facilities.

Health plans and hospitals have a longstanding history of settling disputes over out-of-network payments, which can be resolved while holding the patient harmless. Congress should allow this to continue rather than imposing a benchmark payment on hospitals. Rate setting creates a disincentive for insurers to negotiate with hospitals for in-network contracts and eliminates a hospitals' leverage in negotiate. The end result may cause the erosion of network adequacy for consumers. In addition, contracted payment negotiations between insurers and hospitals include factors such as provider's volume, services offered and quality improvement efforts, which a required payment rate would not reflect. We urge you not to advance H.R. 3630 with provisions establishing a benchmark payment rate.

We strongly support the provisions in the AINS relating to Medicaid, specifically the language adopted to eliminate the Medicaid Disproportionate Share Hospital (DSH) cuts for Fiscal Year 2020 and 2021. Additionally, the bill would then lower the planned reduction of \$8 billion to \$4 billion in Fiscal Year 2022. These changes would provide stability to our member hospitals and allow them to continue serving the most vulnerable populations – Medicaid beneficiaries, low-income Medicare

beneficiaries, the uninsured and the underinsured. DSH funds support many critical community services at our hospitals such as trauma and burn care, obstetrics and high-risk neonatal care and psychiatric services. We do also have some concerns about section 303 as it relates to the report from the Comptroller General and urge the Committee to work with the Government Accountability Office (GAO) to ensure that any data collected be done in a way that is meaningful and does not add a regulatory burden on hospitals and providers.

Additionally, we support the Committee's bipartisan work to address the impending Medicaid "fiscal cliff" in the U.S. territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands. These areas have been affected by both natural and fiscal catastrophes and the beneficiaries residing in these jurisdictions are highly dependent on the Medicaid program for their health and well-being. While the provisions in the bill are a temporary remedy, we appreciate the addition of the Sense of Congress section on the need to develop a more permanent legislative solution toward Medicaid in the territories which essentially operate as block grants.

We also support several of the Medicare provisions that extend important programs like the Independence at Home Demonstration and the low-income Medicare beneficiary outreach, enrollment and education programs. Additionally, we support and commend the Committee for their work to extend the National Health Service Corps and the Community Health Center Fund which continue to be a lifeline to vulnerable communities across the country.

Thank you for allowing us to register support for several of the provisions in the bill and for your consideration of our concerns as they relate to the *No Surprises Act*. We look forward to working with you to find an appropriate federal solution to protect patients from surprise billing before this bill advances to the floor of the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Sr. Mary Haddad". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sr. Mary Haddad, RSM  
President and CEO

CC: Members of the House Energy and Commerce Committee