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February 25th, 2020

Senate Finance Committee
State of Vermont
115 State Street
Montpelier, VT 05633

Re: S.309 - An act relating to limitations on health care contract provisions and surprise medical bills

Submitted via e-mail to fbrown@leg.state.vt.us

Thank you for the opportunity to comment in support of S.309, an act relating to health care contract provisions and surprise medical bills.

Bi-State Primary Care Association (Bi-State) is a 501(c)3 nonprofit organization, formed by two health and social service leaders in 1986 to expand access to health care in Vermont and New Hampshire. Today, Bi-State represents 31 member organizations across both states that provide comprehensive primary care services to over 300,000 patients at 142 locations. Our members include federally qualified health centers (FQHCs), clinics for the uninsured, rural health clinics, Area Health Education Center programs, and Planned Parenthood of Northern New England.

As with many other provider organizations and consumer advocates, we are deeply concerned about Vermonters' ability to pay for health care and the impact that surprise medical billing can have on their access to care. Health care affordability is not only an issue of whether patients can afford insurance premiums or co-pays, it is profoundly influenced by patients' perception of the system as being irrational. Not knowing how much a medical visit will cost, regardless of whether it is ultimately affordable, discourages patients from seeking care. Surprise medical bills not only impose a direct financial hardship for patients who receive such a bill, they also contribute to this perceived irrationality.

Bi-State does not believe that imposing the cost of a patient's non-emergency out-of-network medical care on the referring provider is an appropriate solution to the surprise medical bill issue, but it is a solution that some commercial insurers are pursuing.

Bi-State's members are committed to working with their patients to remove barriers to care and we use a range of tools, from financial planning support to sliding fee scales, to ensure that affordability is not an obstacle to primary care. Surprise medical bills undermine this element of our mission. Our understanding from conversations with commercial payers is that there is no

pattern of referrals to out-of-network providers from our members. If any such pattern should start to emerge, our provider members, and Bi-State as an organization, would work with payers to resolve the problem.

Contracts that attempt to manage medical bills by requiring providers to understand each individual patient's insurance coverage, which can be complicated and change over time, place an unreasonable burden on our primary care providers. Additionally, if provider organizations carry unnecessary financial risk around their referrals, this can have the effect of discouraging appropriate referrals for care more often than it avoids referrals to out-of-network providers (which, again, is currently a rare occurrence for our members).

We believe that S.309 sets up appropriate guard rails as providers and payers work together to address issues around surprise medical bills. Bi-State supports S.309 as an option for addressing surprise medical billing without penalizing health care providers.

Sincerely,

A handwritten signature in black ink, appearing to read "Helen Labun".

Helen Labun
Director of Vermont Public Policy
Bi-State Primary Care Association