

EMPLOYER / PURCHASER ORGANIZATION LETTER ON COVID-19 POLICIES

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

May 19, 2020

Dear Speaker Pelosi, and Leaders McConnell, McCarthy, and Schumer:

For more than 70 years, employer-sponsored insurance has been central to our country's health coverage system. Today, more than half of our country's families receive their health coverage through an employer. We believe employers have a central role to play in continuing to ensure America's families have access to high quality, affordable, health care. The global COVID-19 pandemic has not only killed tens of thousands of people in our country, it has wreaked havoc on the United States economy. An unprecedented number of people – nearly 30 million – have lost their jobs in just the last several weeks. While the economy will improve somewhat when the virus is contained and people are able to move freely once again, economists are expecting a deep and possibly prolonged recession. **The undersigned organizations, representing many of the nation's leading private and public sector employers, write to offer our recommendations to ensure our employees, their families, and everyone in our country, is able to access high quality, affordable health care during the COVID-19 pandemic and after the pandemic ends.**

Our recommendations fall into four major categories:

- Providing affordable coverage in the immediate and longer term
- Ensuring access to primary care clinicians
- Stopping price gouging and protecting patients from surprise bills
- Mitigating risk in the health insurance market

Providing Affordable Coverage in the Immediate and Longer Term

The pandemic has placed unprecedented strain on our country's health care payment and delivery systems. As Congress and the administration grapple with this rapidly evolving and highly destructive crisis, we urge policymakers to contemplate immediate and longer-term coverage policies as separate and distinct.

To address the health and economic disruption in the immediate crisis, policymakers are appropriately considering several aggressive policy options to extend affordable coverage to the

millions of people who have lost their jobs, and the more than 30 million people who were uninsured before the COVID-19 pandemic began.

Ensure sufficient COBRA subsidies to protect patients

Any short-term solution to ensure access to affordable employer-sponsored coverage through COBRA must also include federal subsidies covering 90 - 100% of the cost for those who have lost their jobs or have been furloughed. This subsidy should last through the duration of the crisis. Enabling people to maintain their current coverage is particularly beneficial for those in the middle of a course of treatment, people needing continued management of chronic conditions, pregnant women, and people who have been furloughed, but expect to return to work in the near future. This sensible policy also helps Americans who have already met their deductible in 2020 avoid being forced to pick a new plan with a new deductible – an especially important policy consideration given the devastating economic impact of COVID-19.

Increase telehealth coverage and care

Congress should also take immediate action to increase access to telehealth coverage and care for the duration of the crisis. This should include increasing the ability for telehealth to be offered as a standalone benefit to workers not enrolled in the company's full medical plan, eliminating state barriers to telehealth care (such as video-only rules, or requirements that the patient already have a relationship with the doctor), and allowing licensed providers to see patients via telehealth in other states without needing 50 different state licenses.

Pair longer term coverage policies with cost containment

In the longer term, it is critical that policymakers consider not just the importance of ensuring access to affordable coverage for patients, but also take meaningful steps to curtail high and rising health care costs. Over the past two months, Congress has provided more than \$200 billion in funding to health care providers through direct subsidies, increased reimbursement rates, and delays to scheduled cuts. While that investment may be necessary in the short term, the fundamental problem with our health care system is not one of underinvestment, but quite the opposite.

Our health care system is rife with unnecessary spending, poor resource allocation, and unsustainably high prices. As the primary private and public sector payers for health care, we are deeply concerned that the long-term outcomes of COVID-19 could be an even more rapid increase in prices and greater health care industry consolidation. These trends could be exacerbated by well-intentioned but poorly designed coverage policies which seek to provide coverage during the pandemic but do nothing to hold down costs and improve quality in the longer term. **Thus, we believe it is vital that federal policymakers pair long-term health coverage policies with policies that aggressively seek to reduce health care**

prices and increase value for all payers. The bipartisan *Lower Health Care Costs Act* (S. 1895) includes a number of such policies.

Ensuring Access to Primary Care Clinicians

Across the country, primary care providers are reporting dire financial situations and the possibility of imminent closure due to the loss of patient revenue during the COVID-19 crisis. In addition to the funding for all providers in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (PL-116-136), and follow-on legislation (a small portion of which is likely to make it to primary care providers), **Congress should:**

- Provide immediate financial assistance to ensure primary care practices can survive the sudden and significant loss of revenue and can continue to serve their patients, including:
 - Require HHS Provider Relief Funds to be allocated to physicians/physician practices that most need financial assistance
 - Authorize CMS to provide per beneficiary per month payments to primary care physicians for all attributed Medicare, Medicaid and CHIP beneficiaries
- Ensure long-term sustainability by expanding opportunities for physician practices to participate in value-based prospective, population-based payment models that increase investment in primary care
- Allow High Deductible Health Plans to waive all or part of cost sharing for primary care visits for the duration of the public health emergency
- Mandate health care provider organizations certify they will not engage in mergers and acquisitions of other provider organizations for 12 months as a condition of receiving CARES Act funding.

These reforms are especially critical to ensuring the long-term viability and survivability of smaller physician practices. As these smaller practices struggle and threaten to close because of this pandemic, we fear this could exacerbate already problematic provider consolidation – giving even more market domination to physician staffing firms and other parties already positioned to command exorbitant prices.

Stopping Price Gouging and Protecting Patients from Surprise Bills

To date, Congress has mandated that all health plans and self-insured employers cover patients' COVID-19 related testing, preventive services, and an eventual vaccine with no cost sharing or medical management. While these policies ensure people have the broadest access to vitally needed care, this is likely to result in higher use of out-of-network providers that have not agreed to join networks and accept reasonable prices.

Cap costs for mandated out-of-network coverage

We applaud the health care providers on the front lines of fighting the pandemic. Most reputable providers appreciate that now is not the time for excessive pricing. To ensure that the small number of unscrupulous actors, particularly those employed by private equity firms, which have built a successful business model based on charging excessive prices, do

not take advantage of this opportunity to engage in price gouging, policymakers should **mandate that any required COVID-19-related services that must be provided without patient cost sharing should be paid at the Medicare fee schedule when provided out-of-network.**

Enforce a price-gouging ban, and require health care price transparency

While the above requirement would only apply to those services covered at no cost sharing, press reports indicate personal protective equipment and other supplies have seen exorbitant price increases. **During the pandemic, policymakers should explicitly ban price gouging on any health care items or services**, prosecutable by the Federal Trade Commission and State Attorneys General. Division U of the “*Take Responsibility for Workers and Families Act*” (H.R. 6379) provides such a mechanism. And patients and employers have a right to know the costs of care, before they get billed – so Congress should codify rules to ensure health care prices are available online.

Enact a market-based solution to surprise medical billing

Congress has been debating legislation to ban surprise medical bills for more than a year. With tens of thousands of people now seeking care for COVID-19, many will be forced to see out-of-network providers due to the overwhelmed health care system. It is more important than ever that **Congress prioritize banning this abusive practice. This legislation should protect patients and hold down health care costs by using a local, market-based payment rate for surprise medical bills.**

Mitigating Risk in the Health Insurance Market

According to an analysis prepared for Covered California, the potential cost of coverage for COVID-19 related services could exceed \$250 billion. In the short-term, those costs may be offset by reduced demand for elective procedures. In the longer term, however, pent-up demand could substantially increase utilization once the pandemic has subsided. Given significant uncertainty on the impact of COVID-19 and deferred care on utilization and prices, health plans may have to significantly increase premiums to offset the risk of higher costs.

Consider a mechanism to prevent COVID premiums spikes

Congress should enact policies that protect insurers and self-insured employers from unexpected costs in the 2020 and 2021 plan years. Such policies could include a reinsurance mechanism or one-sided risk corridor, which would “kick in” only if costs exceed a certain threshold. By providing protection against the risk of significantly higher prices and demand, policymakers will reduce the chance of future premium spikes by insurers.

Conclusion

Thank you for working to address the devastating health care and economic consequences of the COVID pandemic. The employer community stands ready to work with Congress and the

Administration to support workers and families with good policy that can make health insurance and care affordable and accessible.

Sincerely,

Coordinating Organizations

American Benefits Council
The ERISA Industry Committee
National Alliance of Healthcare Purchaser Coalitions
Pacific Business Group on Health

Signing Organizations

The Alliance
Central Penn Business Group on Health
Colorado Business Group on Health
DFW Business Group on Health
Employers Health Purchasing Corporation
Employers' Advanced Cooperative on Healthcare
Florida Alliance for Healthcare Value
Greater Philadelphia Business Coalition on Health
HC21
Health Action Council
Healthcare Purchaser Alliance of Maine
Houston Business Coalition on Health
Kansas Business Group on Health
The Leapfrog Group
Lehigh Valley Business Coalition on Healthcare (LVBCH)
Louisiana Business Group on Health
Memphis Business Group on Health
Midwest Business Group on Health
National Association of Health Underwriters
Nevada Business Group on Health
North Carolina Business Group on Health
Northeast Business Group on Health
Partnership for Employer-Sponsored Coverage
Pittsburgh Business Group on Health
Rhode Island Business Group on Health
Self-Insurance Institute of America, Inc. (SIIA)
Silicon Valley Employers Forum
South Carolina Business Coalition on Health
St. Louis Area Business Health Coalition
Texas Business Group on Health
The Washington Health Alliance
Wyoming Business Coalition on Health